

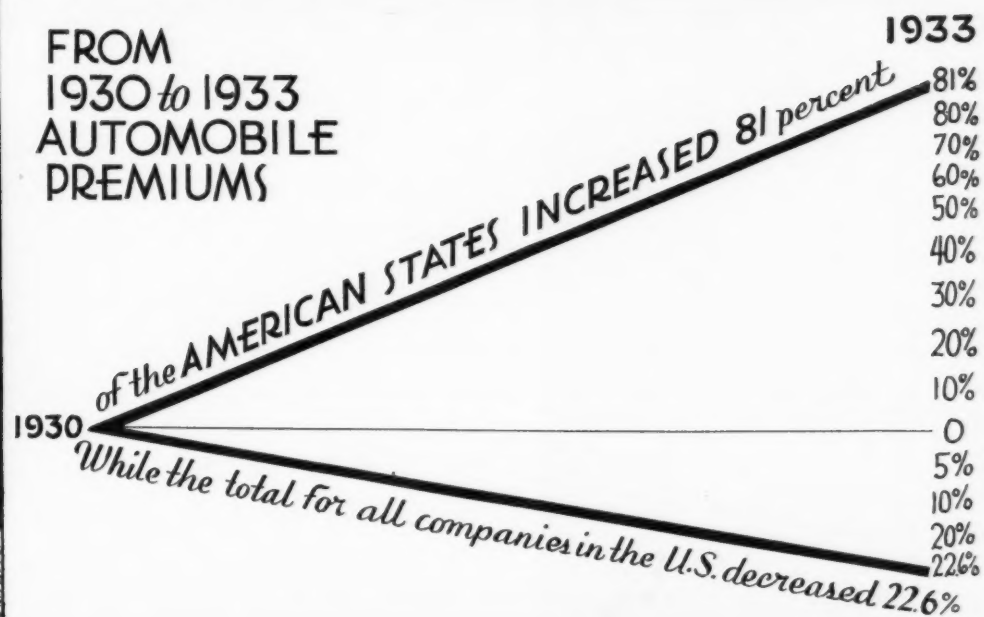
The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, MAY 10, 1934

REWARD OF MERIT

FROM
1930 to 1933
AUTOMOBILE
PREMIUMS



AUTOMOBILE INSURANCE
EXCLUSIVELY

AMERICAN STATES
INSURANCE COMPANY

INDIANAPOLIS INDIANA



He means GREATER PROFITS for You

HE HAS A NEW CAR — important news to you and every other agent whose income is indirectly affected by the automobile industry. At the present rate of production three or four millions like him will have new cars before the year is out. All prospects for **AUTOMOBILE INSURANCE**.

In 22 states and 6 Canadian provinces financial responsibility laws emphasize the necessity of **AUTOMOBILE PUBLIC LIABILITY** and **PROPERTY DAMAGE** protection. Yet only about 20% of car owners are so insured. Far less than half the cars on the road today are insured against **FIRE** and **THEFT**. There is a wealth of this business to be cultivated right now as well as that created by the phenomenal upturn in the motor trade.

With **Ætna Fire Group** automobile policies you can supply every insurance need of your prospects — **FIRE, THEFT, LIABILITY, PROPERTY DAMAGE, COLLISION, WINDSTORM, HAIL, FLOOD, PLATE GLASS BREAKAGE, TOWING, RIOT and CIVIL COMMOTION, ACCIDENT, PERSONAL EFFECTS, even DAMAGE FROM FALLING AIRCRAFT.**

Who are these prospects? You can find out from your local registry office *after* cars are bought. But to keep ahead, ask automobile salesmen. In return for leads you often can give them, they will gladly tell you who new car owners will be *before* they register.

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ÆTNA INSURANCE COMPANY
THE CENTURY INDEMNITY COMPANY
PIEDMONT FIRE INSURANCE COMPANY
THE WORLD FIRE AND MARINE INSURANCE CO.



NEW YORK

CHICAGO

SAN FRANCISCO

CHARLOTTE, N. C.

The National Underwriter

Thirty-Eighth Year—No. 19

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MAY 10, 1934

\$4.00 Per Year, 20 Cents a Copy

Adoption of Easy Payments Urged

Various Problems Discussed at United States Chamber of Commerce Meet

COST SITUATION VIEWED

Object to Scaling Down of Debts at Expense of Insurance—Peters Reelected

WASHINGTON, May 9.—A demand that the government reform its present policy of extending relief to all classes of debtors at the expense of the insurance industry and a call on the fire companies to develop ways of making easier the payment of premiums were the features of the insurance round table of the annual convention of the United States Chamber of Commerce here.

Need Easy Payment Plan

Although the premiums for fire and allied coverages are very low, said J. J. Fitzgerald, secretary-treasurer Grain Dealers National Mutual Fire, the average household is unable to pay the \$200 or so a year required for full coverage against all hazards and it is up to the companies to develop some means of making premium payments easier.

"In a day when every other line of business is trying to make it easy for its customers to settle their accounts, we still hang on to the old term rule," he pointed out. "Fire insurance has never learned to operate an interest table; we should go to life insurance and learn how to ease the burden of the policyholder by permitting him to pay his premiums in a manner best suited to his pocketbook and charge him a reasonable rate of interest for split payments."

Cut Losses to Reduce Cost

The way to reduce the cost of insurance is to bring down losses and expenses, he continued, and the former can be secured only through active fire prevention work on the part of the industry itself and not by reliance upon such activities conducted by outside interests.

Costs can be reduced only by cutting commissions, Mr. Fitzgerald said and, admitting he was "rushing in where angels fear to tread," this can be brought about only by the companies giving more thought to the class of men they employ, ridding themselves of those "who have attached themselves to the business for whatever they can get out of it" and permitting the "man who renders real service to his customers a chance to make a fair living. When we get down to that basis," he asserted, "we can reduce commissions to a point where they will be fair to all concerned—and this question of expense will then settle itself."

Closer cooperation between casualty

Companies Lose Point in the Missouri Rate Case

STATE SUPREME COURT RULES

Question of Jurisdiction of Cole County Circuit Court Is Involved—Main Case Not Affected

The companies have met with defeat in one of the side issues in the prolonged Missouri rate litigation. The Missouri supreme court sustained the jurisdiction of the Cole county circuit court in ordering 143 stock fire companies to make full restitution to policyholders of all excess premiums collected in violation of the 10 percent rate reduction order of 1922. The amount subject to refund was about \$13,000,000 and the interest amounted to about \$5,000,000. Beginning in 1930, the companies started to make the refund and the estimate is that all but \$350,000 to \$500,000 has not been refunded. At any rate there is not more than \$1,000,000 that has not been refunded. This amount is due to policyholders, who have died or who cannot be located. The state of Missouri wants this money to revert to the state.

This latest decision turned mainly on the question of jurisdiction. The companies sought a writ of prohibition to restrain the Cole county circuit court from enforcing a decision as to the refund, on the ground that the circuit court did not have jurisdiction. The companies will appeal this decision, with the possibility that the case may get to the United States Supreme Court but with the likelihood that it will go to a lower court for review.

Doesn't Affect Main Case

This decision does not affect the litigation involving the collection by the companies of the 16½ percent rate increase, under an injunction. That case is before a federal court master, who is turning out reports on the experience of individual companies. He has already submitted reports on 104 of the 137 companies, whose injunction case is before the federal court. In all of these reports, the contention of the companies that they are entitled to the higher rates, is borne out.

In minor respects, the Missouri supreme court in its most recent decision favored the companies. The court held that the Cole county circuit could appoint only three instead of four referees to ascertain the amount of premiums refunded by the companies and the sum still due to policyholders, and also the circuit court was without power to compel the companies to deposit \$70,000 towards the expense of conducting investigation and accounting.

insurance, business men and state officials was urged by R. J. Sullivan, vice-president of the Travelers.

Discussing the problems of the life companies, M. J. Cleary, president Northwestern Mutual Life, made it clear that executives in that field were highly disturbed over the present tendency of Congress to permit debtors of all types to scale down their debts with-

(CONTINUED ON PAGE 23)

Globe & Rutgers Plan for Reorganization Considered

DECISION EXPECTED MAY 16

Submitted to Court Following Approval by R. F. C. and New York Department

NEW YORK, May 9.—Approval of the reorganization plans of the Globe & Rutgers having been secured from the Reconstruction Finance Corporation and the New York department, it has now been submitted to court where under legal procedure it will be held eight days. Thus the decision likely will be rendered May 16.

The plan contemplates payment in full of all claims up to \$500 each in cash immediately, claims over that figure to receive 50 percent cash and 50 percent in stock of the company.

R. F. C. Gets \$3,500,000 Preferred

Three issues of stock have been arranged for; \$3,500,000 first preferred, being taken by the R. F. C. in part settlement of its total loan of \$10,000,000 to the organization; the balance to creditors and subscribers. The first issue carries 4 percent interest; 5 percent being promised on the other issues.

After the payment of interest 15 percent of profits will be set aside to create a fund for retiring the stock, preference to be given holdings of the R. F. C.

Dead-line for Filing Fleet Questionnaire Is Deferred

Insurance Director Palmer of Illinois has deferred until June 1 the dead-line for completion on the part of companies of a searching questionnaire as to their automobile fleet practices. The first dead-line was May 15. A special committee of the National Automobile Underwriters Association had a conference with Mr. Palmer Tuesday. They were accompanied by E. V. Mitchell, general counsel for the Continental Casualty. This committee and other individual company representatives have complained to Mr. Palmer that the information which he seeks would be most difficult and expensive for the companies to dig out from their records. There is a possibility that Mr. Palmer may set a date for an open hearing before June 1.

Some Returned Questionnaires

Other companies, however, promptly filled out the questionnaire and returned it to Mr. Palmer. They advised him that the information was readily obtainable and they commended him for the way he is approaching the job. These companies assert that the information as to fleets is readily obtainable, because every company has a pretty good knowledge of what fleets it is carrying and can go straight to the records.

Insurance Commissioners' Meeting

The executive committee of the National Convention of Insurance Commissioners will hold its spring meeting May 28-29 at the Edgewater Beach hotel in Chicago. M. L. Brown, Massachusetts commissioner, is chairman.

Firemen's Opening Branch in St. Louis

Move Is Viewed as Strategic Step in Separation Battle

HOLD HEARING IN OHIO

Insurance Superintendent Takes Clearance Question Under Advisement—Anti-Compact Law Considered

ST. LOUIS, May 9.—Announcement is made that the Firemen's group will open a branch office in St. Louis. Decision to make this move was undoubtedly prompted by the separation program, upon which the Western Underwriters Association companies are embarked. State Agent John Battershill will be in charge of the new branch office, which will be located in the branch of the Metropolitan Casualty and Commercial Casualty of the Firemen's group in the Cotton Belt building.

Since Mr. Battershill must divide his time between St. Louis and Kansas City, John Lutz has been retained to assist in handling the St. Louis branch. Mr. Lutz was connected with the American Central for about 10 years when the principal offices of that company were in St. Louis. Later he handled the fire and automobile departments of the old Commonwealth agency in St. Louis. His most recent connection was as special agent for the Harkins agency.

Of the 65 class 1 members of the St. Louis Fire Underwriters Association, 25 are mixed while 85 of the 200 class 2 and 3 agents are mixed.

St. Louis is a vital spot in the separation map so far as the Firemen's group is concerned. In that city, the Firemen's is well represented in board agencies and the company decided apparently to buttress itself by establishing a branch office against the day when heretofore valuable representation might be lost.

In the other excepted cities in the west, the Firemen's seemingly feels it has adequate machinery to counteract any separation losses. In Chicago, there are two branch offices for the group, one for the Girard Fire & Marine, and the other for the Milwaukee Mechanics. In Cleveland the company has a branch while in Cincinnati its representation is largely outside of the board. In Milwaukee, the head offices of two of the companies in the group are located, they being the Milwaukee Mechanics and Concordia. Louisville is the scene of a traditional battleground so far as the Firemen's is concerned and anything is likely to develop there.

OHIO DEPARTMENT APPROACHED

COLUMBUS, O., May 9.—Representative fire insurance agents in Ohio held (CONTINUED ON PAGE 23)

Some Executives Frown on Drive for Finance Lines

OPPOSE COMPETITIVE EFFORT

Campaign of Fidelity & Guaranty Fire and North America Does not Meet With Universal Favor

NEW YORK, May 9.—While some companies, notably the North America and the Fidelity & Guaranty Fire, are urging agents to attempt to capture fire and theft insurance on financed cars, executives of a number of other companies are cool towards the idea. Such executives feel that the finance companies, as virtual owners of automobiles upon which down payments have been made, may, with justice, insist upon handling the insurance. Then, the argument is made that if automobile buyers were permitted to place their own insurance, with a mortgagee clause running to finance companies, special departments would have to be set up by the finance companies to pass upon the coverage.

Furthermore, some insurance company executives fear that if agents were encouraged to solicit insurance on financed cars, other finance companies might follow the example of the General Motors Acceptance Corporation and form their own insurance companies. Possibly such companies would solicit renewals instead of merely providing the insurance during the time the cars were financed.

In some quarters, there is also the fear that the automobile companies, which have an interest in finance concerns, might take vengeance by switching their fire and other insurance from the stock companies.

Boosting Hukill Candidacy

Ohio Blue Goose Will Back Fireman's Fund Man for Grand Nest Position

By C. C. CROCKER

COLUMBUS, O., May 9.—At a meeting of the Ohio Blue Goose, the movement to back the candidacy of R. W. Hukill of Norwood, O., special agent for the Fireman's Fund group, for grand keeper of the golden goose egg, assumed sizable proportions. Mr. Hukill a few years ago was placed in nomination for this office but S. A. Mehorter of Newark, N. J., state agent for the Home in New Jersey, nosed him out. R. T. Huggard, state agent of the Great American, is chairman of the Hukill committee. He reported that of the 12 ponds in central western territory, 10 have already promised to support Mr. Hukill at the grand nest meeting in August. It is believed that there will be no opposition to Mr. Hukill who deserves the offices because of long and faithful service to the order.

New Ohio Pond Officers

New officers of the Ohio pond were elected, they being: Most Loyal Gander, W. J. Gilsdorf, North America; Supervisor, W. E. Gable; Custodian, Walter Plangman, American; Guardian, Allen Guy; Keeper, H. L. Rubrecht, St. Paul; Wielder, F. W. Ransom.

Grand Wielder C. P. Helliwell of Milwaukee was present to represent the grand nest. He gave a talk and told about the work of the order. The dinner was a testimonial for R. L. Raynolds, for many years state agent of the Connecticut Fire. He is now 87 years of age and retired from active service two years ago. He was presented with a new radio world-wide reception set. Many executives sent letters concerning Mr. Raynolds, including President Edward Milligan of the Connecticut; Western Manager W. H. Lininger, Springfield F. & M.; Chester Barnard of San Francisco, former well known adjuster. E. W. Raynolds, vice-presi-

Has Aspirations



RALPH W. HUKILL, Norwood, O.

The Ohio Blue Goose has started a movement to back the candidacy of R. W. Hukill, Ohio state agent of the Fireman's Fund, for grand keeper of the goose egg of the Blue Goose at the forthcoming annual meeting at Omaha. Mr. Hukill has served in various offices in the Ohio pond and was its most loyal gander. He is one of the outstanding men of the grand nest.

dent Herberich-Hall-Harter Agency of Akron, and secretary of the Ohio General Fire of that city, was present to honor his father.

Mehorter Returns Home

S. A. Mehorter, New Jersey state agent of the Home and grand supervisor of the Blue Goose, has so far recovered from the effects of his recent automobile accident as to permit removal from the Orange hospital to his home in Maplewood, N. J.

U. S. F. & G. Capital Increase

Capital of the United States Fidelity & Guaranty has been increased through issuance of 800,000 shares of preferred stock of par value \$1 each. This is in accordance with the program of capitalizing the heretofore collateralized debt of the U. S. F. & G. to the R. F. C.

Agency Companies Checked By New S.E.U.A. Regulation

STOPS EXCESS COMMISSIONS

Denies Organizations Membership and Prohibits Members From Transacting Business With Such Companies

NEW YORK, May 9.—By virtue of a recently adopted resolution of the executive committee of the Southeastern Underwriters Association, companies formed or conducted for the purpose of evading the commission rule of the organization will be denied membership. Member offices are also barred from transacting business with them. The immediate reason for the rule's adoption was the launching by a prominent Atlanta agency of a home company, with which the agency placed its entire business, receiving therefore the allowed 20 percent flat commission. Presumably the company in turn re-insured its liability, getting in return an excess commission.

Not a New Development

The formation of agency companies is not a new development in the fire field, a number having been created in recent years, both in the south and in the west. While some of the ventures have proven measurably successful and have extended the scope of their operations conservatively, others found the going hard and found relief through automatic treaties with old established companies. Still others of these concerns were apparently launched for no better reason than to secure through a round-about method commissions beyond those permitted agencies under governing organization rules.

Not to Abolish Underwriters

BOSTON, May 9.—At the May meeting of the Boston Board, the recommendation of the executive committee that underwriters' agencies be abolished was defeated by a vote of 44 to 17. A number of members previously in favor of the idea reversed their attitude after considering the matter fully.

New Brooklyn Brokers' Body

The Independent Brokers Association of Brooklyn has been formed to extend the activities of a former limited brokers' body in that borough.

Merchants Hit Bill Aimed at Unlicensed Companies

REPLY IS MADE BY BENNETT

Says Argument Advanced Sets Up Straw Man and Then Goes After It

The Merchants Association of New York has issued a release, announcing that it has filed with the members of the committee on postoffices and post-roads of the house, a letter recording its opposition to the Cartwright bill forbidding the use of mails to solicit insurance in any state unless the insurance company designates the agent upon whom service of summons may be had and consents to the jurisdiction of the state court.

The Merchants Association contends that this bill proposes to add to the expense of furnishing insurance without any benefits to the insured, who needs the services of highly specialized experts, who have drifted to more important insurance centers.

Contention of Association

If the bill were passed, the Merchants Association contends, it might be impossible for property owners, whose operations required special forms of insurance, to secure adequate protection. It would mean that marine insurance would be practically unobtainable except in one or two states and then only to a limited expense.

"The United States Supreme Court," the release states, "has held unconstitutional any enactment which seeks to deprive an assured of his rights to insure where he wishes. This bill would indirectly deprive him of that constitutional right prohibiting the use of the mails which may be necessary in the exercise of that right."

Bennett Gives Opinion

In the opinion of W. H. Bennett, secretary National Association of Insurance Agents, the arguments advanced by the Merchants Association are preposterous, attesting on the part of their author or authors complete ignorance of the law and of general insurance practice. The clear intent of the measure, in the preparation of which agents had no part, and few even know of its existence, is to prohibit use of the mails to any life, fire, casualty or marine insurance company, unless it designate an agent in each state in which it operates upon whom service may be had. This requirement is in the interest of property-owners, in that in the event of disputed claims, action may be had in a state court, instead of forcing claimants to travel long distances, perhaps across the ocean, to secure settlement. Under the terms of the bill a company may freely solicit business, without the naming of an agent, providing it designate the insurance commissioner or some other responsible party as authorized to receive summons. It would permit, contrary to the allegation of the Merchants Association, brokers to write business for any duly licensed company, and there is not the slightest question but that any property-owner would be able under its provisions to get complete insurance protection.

What would be gained, should the measure become a law, would be the elimination of wildcat concerns and the collection of proper taxes by the states upon business written within their respective jurisdictions. The author of the Merchants Association brief has set up a man of straw and proceeded to batter him. Mr. Bennett expresses amazement "that so responsible a body should put forth a document so utterly false in its premise and comment."

The name of the State Mutual Rodded of Flint, Mich., has been changed to the State Mutual Fire of Michigan.

THE WEEK IN INSURANCE

Firemen's opens branch office in St. Louis. Ohio agents oppose separation in hearing before insurance department. **Page 1**

Decision on reorganization plan of Globe & Rutgers expected May 16 following R. F. C. and New York department approval. **Page 1**

Missouri supreme court hands down adverse decision to companies in the famous rate case. **Page 1**

Complications may develop in the adjustment of the big Lexington, Ky., whisky loss, because the insured was late in reporting values under the L.U.B. form. **Page 3**

Some executives are frowning on the campaign of stimulating agents to solicit the fire and theft insurance on financed automobiles. **Page 2**

New ruling by the Southeastern Underwriters Association checks activities of agency-owned companies. **Page 2**

John C. Dornin, Pacific Coast manager of the Springfield F. & M., becomes president of the Pacific Board. **Page 19**

Cooperation stressed as the key to casualty business recovery by R. J. Sullivan, Travelers vice-president. **Page 27**

Judiciary committee of the United States senate reports favorably on the Neely bill, which is directed against London Lloyds. **Page 25**

Aggregate limits have been set under products' public liability and manufacturers and contractors' property damage liability by the National Bureau. **Page 25**

Surety companies feel that the change in rating and methods covering safe depository liability will give them greater premium volume. **Page 28**

Consolidated Indemnity of New York is turned over to insurance department for rehabilitation. **Page 25**

John Schmidt, Jr., former superintendent of the fidelity division of the Hartford Accident & Indemnity, has been sentenced to four years in the state prison on account of embezzlement. **Page 26**

W. G. Wilson, in addressing the Ohio Association of Casualty & Surety Managers, sees hope that anti-Lloyds' legislation may be passed at this session of congress. **Page 28**

Minneapolis Claim Men's Association and Minnesota Bar Association join hands in the effort to reduce ambulance chasing. **Page 31**

HOLC Hands-Off Policy on Insurance Is Reiterated

LETTER RECEIVED BY DOYLE

Denver Board Sends Protest to National Association on Practices Followed There

NEW YORK, May 9.—Members of the National Board have been advised by General Counsel J. H. Doyle of a communication from the New York agency of the Home Owners Loan Corporation, stating it is against the policy of the latter body "to cancel existing fire insurance policies covering premises which are the subject of our loans."

It says further: "In the case of policies expiring at or about the time of the closing of our loans, it is against the policy of the Home Owners Loan Corporation even to suggest the name of any insurance broker or agent for the issuance of renewal policies. Our instructions to our closing attorneys state specifically that they shall not negotiate insurance for the account of our borrowers." Where this regulation has been violated work has been withdrawn from the offenders.

The cooperation of the companies toward making the regulation effective is desired by the management of the HOLC.

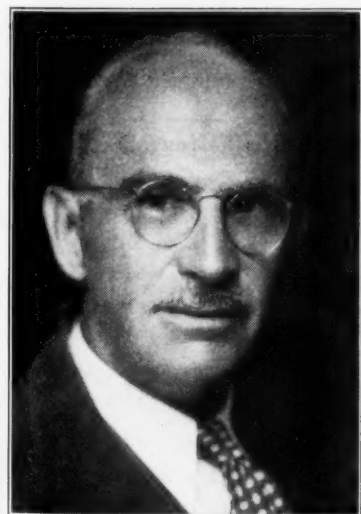
COMPLAINT IN DENVER

DENVER, May 9.—The Denver Association of Insurance Agents has ordered its officers to enter a protest with officials of the National Association of Insurance Agents against a reported practice by the Home Owners Loan Corporation in purchasing insurance at a central source when the borrower does not pay his renewal premium and the HOLC puts up the money.

The question was raised during talks before the Denver insurance board by Senator I. L. Quia, Colorado counsel of the HOLC, and W. W. Jones, assistant manager of the Denver office.

S. T. Steinmetz, Denver local agent, (CONTINUED ON LAST PAGE)

Anniversary Year



JOHN W. LONGNECKER

J. W. Longnecker, manager of the business development department of the Hartford Fire, celebrated his 25th anniversary with the company May 4. He was presented with a basket of flowers from the officials of the Hartford Fire and Hartford Accident & Indemnity and a cocktail shaker from his own "crew" of workers. Mr. Longnecker originated the "Hartford Agent" house organ of the Hartford group, which was

Schenley's Late Reports Complicate Adjustment

An important complication, which may cause fireworks, has developed in connection with the destruction of the Schenley liquor properties at Lexington, Ky. It seems that the reports of values for January and February were not submitted by the Schenley interests under the I. U. B. form until May 2 after the fire had occurred. The last previous report of values was as of Dec. 31, 1933, showing \$603,050. Under the I. U. B. form, the Schenley people were required to submit reports of value 45 days after the close of the month. Thus the January report should have been made March 15 and the February report on April 15. Neither of these reports was received until May 2.

At least one company is known to have canceled its participation in the line more than a month ago, because the Schenley people were slow in reporting values.

Given Serious Attention

This feature is being given serious consideration and if the companies decide to stand on the Dec. 31, 1933, report, the consequences may be appreciated.

The adjusters, who are handling the loss, are J. K. Nelson, assistant general manager Western Adjustment; Frank Nelson, Louisville manager Western Adjustment; Prentiss Read of Wagner & Glidden; Joe Windle of Dargan & Windle, and Harold Hyer of New York. These men will hold a meeting in Louisville, May 21.

According to the preliminary report which has been submitted to the companies by the Western Adjustment, the insurance loss will be in excess of \$3,500,000. This is the net amount of the insurance loss, after giving effect to the tax abatement by the government of about \$1,000,000. In the three bonded warehouses, which were destroyed and contained liquor, the tax abatement comes into play, for the tax is not paid until the liquor leaves the warehouse. However, one of the warehouses that was destroyed was a so-called free warehouse, to which freedom of access was permitted. The tax had been paid on the liquor in that warehouse and the tax becomes a part of the loss.

Much Liquor Moved In

Since Dec. 31, 1933, when the report of values showed \$603,050, considerable liquor had been moved into the warehouses. For instance, more than 13,000 barrels were moved in from the O. F. C. distillery at Frankfort during March and April.

One of the big questions now is to determine the value of the liquor. The adjusters are preparing to contact the various sources of supply and attempt to arrive at a market, taking into consideration grade and age.

In the free warehouse, there were 179 cases of liquor and 19 miscellaneous gallons of liquor; in warehouse B there were 7,057 cases and 31 miscellaneous gallons; in warehouse CD there were 10,479 barrels of whisky and in warehouse EF there were 4,995 barrels. Warehouse A was empty.

These properties were used by the Schenley distilleries for bottling all of their old bottled in bond stuff.

first published in July, 1919. He is still its editor. From 1910 until 1930, he was advertising manager of the Hartford Fire and it was during that period that the famous Hartford "Hellion" was conceived. During the last two years he has devoted his time very largely to business development and production. Mr. Longnecker went to the Hartford from the Minneapolis "Tribune," where he was editor of its house organ, the "Tribune Hustler." He is one of the well known men in his calling.

The insurance on buildings amounted to \$170,000 and the loss is total.

Specific insurance on the liquor in warehouse CD was \$14,000, the American Alliance having \$9,000 and the Sun \$5,000. Specific insurance on warehouse EF was \$26,000. The Phoenix of Hartford had \$15,000; Springfield, \$6,000, and Sun, \$5,000. Specific insurance on warehouse B was \$7,000, carried in the American Alliance.

The \$19,000,000 I.U.B. insurance was divided: Atlas \$380,000, Aetna \$950,000, American Home \$190,000, Commercial Union \$190,000, Commonwealth \$1,805,000, Fidelity-Phenix \$950,000, Fire Association \$570,000, General of Seattle \$380,000, Home F. & M. \$570,000, Home of New York \$570,000, North America \$1,900,000, Knickerbocker \$1,425,000, Lloyds of New York \$190,000, Lumbermen's of Philadelphia \$380,000, National Union, \$950,000, Norwich Union \$190,000, Pacific \$190,000, Pearl \$2,375,000, Phoenix of England \$570,000, Royal \$1,520,000, Sun \$190,000, Travelers Fire \$665,000, United States Fire \$950,000 and Yorkshire \$950,000.

The limit of liability on warehouse B (CONTINUED ON PAGE 23)

Ohio Field Men's Gathering

Number of Important Subjects Were Considered at the Meeting—Plan for Annual Rally

COLUMBUS, O., May 9.—A number of important subjects were taken up at the May meeting of the Ohio Fire Underwriters Association this week. It was reported that agents have been experiencing some difficulty in getting the proper mechanics adopted by the Home Owners Loan Corporation in the handling of insurance particularly in the securing of necessary signatures on drafts covering losses. When losses have occurred and drafts drawn, it has been the practice of the local HOLC officials to send the drafts to Washington, D. C., for signature. In many cases this has caused considerable delay. A committee was appointed to confer with the HOLC officials and try to work out a more satisfactory method of procedure. The committee consists of R. T. Huggard, Great American, chairman; T. O. Dye, Connecticut Fire; P. F. Brown, Hanover; H. R. Underwood, Providence Washington. It was suggested that probably the local HOLC officials have little or no authority in the premises and therefore the wisest course might be for the National Board to appoint a committee to deal with Washington headquarters.

Delinquent Balance Subject

The delinquent balance committee recommended a new rule which was adopted setting out the procedure with delinquent agencies and the manner in which their funds will be handled. So called committee agencies are being reduced, there being now about 260 in Ohio as compared with 330 a year ago. These agencies are in better shape than they have been in the past.

It was decided to hold the annual meeting at Lake Wawasee, Ind., the week of July 10. New members elected were H. D. Collins, North America; S. J. McLaren, Jr., Crum & Forster; B. F. Flood, Royal; M. H. Rubin, Union of Indiana, and W. P. Jones, Security, Conn. Mr. Flood was formerly with the Ohio Inspection Bureau. Mr. Jones is the son of W. E. Jones, general agent at the head office of the Security and former Ohio state agent. A talk was given by Thomas Wilson, sales manager of Walkers, Inc., a Columbus department store.

Stir Caused in Chicago by 20% Status of Muckley

IN I. M. U. A. FAVORED LIST

Is Broker There and Insurance Counsel for National Retail Clothiers and Furnishers

A stir has been caused in Chicago because of the action of the Inland Marine Underwriters Association in adding R. L. Muckley of that city to the list of those entitled to 20 percent commission. Mr. Muckley is a broker and is insurance counsel for the National Association of Retail Clothiers and Furnishers. The matter is being brought before the Chicago Insurance Agents Association.

Among the exhibits cited by those who contend that Mr. Muckley is not entitled to the 20 percent status, is an article by him in the National Retail Clothier & Furnisher on March 6, 1930. In that article, in referring to burglary rates, he said the so-called board companies had formed an agreement to keep up the rates and not to change the policy forms. They refused, he wrote, to give any consideration to the plea that members of the clothiers and furnishers' association would prove better risks. Expenses of board companies average practically 50 percent of the premiums paid. "In other words," Mr. Muckley wrote, "for every \$100 that you as a merchant pay for burglary insurance, 50 percent went for home, branch office, and other expenses, only 50 cents paid in premiums remained for losses."

"We found a company," he continued, "Chicago Lloyds, who are limited by law to an expense ratio of 30 percent, and pointed out to them that if they allowed a discount of 20 percent they would still have as much money left to pay losses as did the board companies."

About two years ago the I. M. U. A. established a new scale of commissions in Chicago, leaving only 5 percent overriding for the agent by raising the brokerage from 12½ percent to 15 percent. At the same time exceptions were made, whereunder certain offices were classified as general agencies not subject to the 20 percent commission. They included Fred S. James & Co., A. F. Shaw & Co., Bartholomay-Darling Company, Osborn & Lange. Then certain brokers such as Johnson & Higgins, were given 20 percent commission standing. Mr. Muckley has been added to that group.

Chicago W. U. A. Separation Committee Now Appointed

President E. A. Henne of the Western Underwriters Association Wednesday announced the makeup of the committee which will deal with the various aspects of the clearance of agencies program, so far as Chicago is concerned. The committee is composed of all of the W. U. A. western managers resident in Chicago together with Robe Bird, American of Newark, Rockford, Ill., W. D. Williams, Security of New Haven, Rockford, and F. M. Gund, Crum & Forster, Freeport, Ill.

This committee will confer with the committee of nine on clearance of agencies appointed by President L. E. Yager of the Chicago Board.

Must Have Minimum Surplus

The Georgia department has made a ruling to the effect that hereafter it will not license any company of any kind coming from another state which has a free surplus of less than \$50,000.

The Oklahoma Fire Prevention Association will inspect Muskogee, May 16-17. There will be a joint meeting of the various civic clubs and a luncheon at which H. K. Rogers of the Western Actuarial Bureau will speak.



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WHAT YOU
HAVE**

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Auto manufacturers' sales show a big increase over 1933. Are you getting your share of the automobile insurance? North America Agents are offered attractively printed folders, sales letters and newspaper advertisements on these coverages.

See the North America full page advertisement in The Literary Digest, May 19, and Time, May 21

Insurance Company of North America

PHILADELPHIA

and its affiliated companies write practically every form of insurance, except life

Founded 1792

Capital \$12,000,000

Surplus to Policyholders over \$45,000,000



VIEWED FROM NEW YORK

By GEORGE A. WATSON

OWN LARGE AMOUNT OF STOCK

Of the 20 largest stockholders of the Pennsylvania Railroad, it appears the Union Pacific continues the largest single holder, having 100,000 shares. The Home of New York a year ago owned 17,600 shares and now owns 29,200. The Franklin Fire bought 18,700 in the year, not owning any the year before. The Travelers owned 15,200 a year ago but is not scheduled as owning any this year.

* * *

GOES WITH BROKERAGE OFFICE

Dunlaevy, Cleaves & Burnham, general insurance brokers in New York City, have appointed A. W. Fincke, formerly of the J. Elliott Hall agency of the Penn Mutual Life in New York City, to specialize in life insurance, annuities and pensions. The Dunlaevy, Cleaves & Burnham office already handles a considerable volume of life business in addition to its well established general insurance business. The appointment of Mr. Fincke places it in a position to increase its life insurance and annuity writings and provide additional facilities for rendering service to clients in these fields.

* * *

SHALLCROSS BACK HOME

C. F. Shallcross, United States manager of the North British & Mercantile group, who has been in the central west for several weeks, arrived home this week.

Texas Hearing to Clarify Uniform Auto Policy Rules

AUSTIN, TEX., May 9.—The state board of insurance commissioners has set May 15 for a hearing on automobile insurance questions.

The uniform automobile insurance policies and endorsements approved by the board Jan. 5, 1934, will be considered. On and after July 1 no carrier writing automobile insurance in Texas may issue any other form of policy or endorsement and this hearing will afford such carriers and the insurance buying public an opportunity to present any grievance that may have been occasioned by the approval and adoption of such policy and endorsement forms.

Among other subjects to be discussed will be a uniform short rate table for both automobile fire and casualty policies and the installment payment plan for all automobile insurance premiums.

A proposed new rule filed for adoption is the broad form towing and road service expense coverage, as well as the filing to extend the rule regarding farmers' short term policies to any private passenger or commercial automobile.

The Pacific Fire has declared a quarterly dividend of 75 cents a share. This is an increase of 25 percent as compared with the previous quarter.

C. E. Adams Now Handles Insurance for the NRA

Correspondence with the NRA concerning insurance is now being referred to C. E. Adams, deputy administrator of the finance section, who, in private life, is president of the Air Reduction Company. Since Arthur Lazarus resigned a few weeks ago, correspondence has been referred in turn to two or three government officials and Mr. Adams is the latest.

Mr. Adams apparently supplants Edward T. Gushee of Detroit, who acted for a week or two as insurance man for the NRA, the understanding being that he was trying to determine if insurance should be brought under its jurisdiction.

Heads N. Y. Board



HART DARLINGTON

Hart Darlington, United States manager of the Norwich Union, was elected president of the New York board at the annual meeting Wednesday of this week. The vice-president is O. E. Schaefer; secretary, W. E. Gildersleeve, Jr.; assistant secretary, K. O. Gronau; treasurer, W. L. Chambers, and assistant treasurer, W. C. Howe.

Ohio Farmers Explains How Liquor Line Was Handled

The Ohio Farmers, in a letter to the Ohio senate committee investigating the state liquor control board, denies the statement attributed to John A. Hughes, director of the liquor department, that fire insurance on fixtures was placed direct with the head office of the Ohio Farmers and that the matter of agency was one to be established by the Ohio Farmers.

The company states that the entire line was written in the Ohio Farmers by its local agent at Cadiz, O., who has represented the Ohio Farmers more than 40 years.

Indianapolis Salvage Corps Elects

At the annual meeting of the Indianapolis Salvage Corps, J. W. Noble, Security of Connecticut, was chosen president; T. R. Dungan, Fidelity-Phoenix, vice-president; A. L. Riggsbee, treasurer, and E. H. Forry, secretary. The officers are directors as are Richard Lieber, C. O. Bay, Hartford Fire, and W. E. Mallalieu, National Board.

K. C. Rowland has joined the Carl C. Teipel Co. agency, Toledo, O. He has had many years' experience in Toledo and Buffalo.

Position Wanted

Young lady, ten years experience fire and casualty insurance, underwriter, stenographer and bookkeeper. Address Y-56, The National Underwriter.

For Sale: Long-established, large, active agency in Indiana. Reason, illness and other interests. Address Y-57, The National Underwriter.

AS SEEN FROM CHICAGO

W. W. HEISE AGENCY MOVES

The W. W. Heise & Co. agency, Insurance Exchange, Chicago, has moved to 309 West Jackson boulevard, taking along Preferred Investments, a finance company, and the Bonded Motorists Service, in which Mr. Heise is interested.

* * *

TO ENTER MORE STATES

President F. N. Belgrano, Jr., and Vice-President W. L. Wallace of the Pacific National Fire of San Francisco are in Chicago this week arranging to have the company entered in some of the middle western states. They are looking over the ground in Chicago preparatory to making an appointment. The Pacific National Fire is non-affiliated and will remain on that basis.

* * *

LIFE DEPARTMENT IS OPENED

Boyle, Flagg & Seaman, Chicago general agency, has opened a life department, being appointed general agent of the Minnesota Mutual Life. J. F. Wilson is manager of the new department. He has had 15 years' life insurance experience, of which five were with the Mutual Life of New York in Chicago. The agency never before has represented a life company.

* * *

DE BARRY ENLARGING AGENCY

The direct general insurance business of De Barry & Associates, Chicago, a firm prominent for a number of years throughout the country in the work of conserving and rewriting business of fraternal life societies on an adequate rate basis, is being considerably enlarged. Mr. De Barry's office for three years has placed general lines in a conservative way through the Michigan F. & M., Metropolitan Casualty, and also representing as general agent the Reliance Life of Pittsburgh. He will make announcement shortly of appointment of a new manager.

* * *

LOSS ASSOCIATION PLANS

The next meeting of the Western Loss Association will be held the evening of May 15. In the past year or two, the association has been holding noon day meetings. The plan is to have the June meeting at Rockford, Ill., where business will not be permitted to interfere too much with golf. The tentative date is June 19.

* * *

KOMAIKO'S DAUGHTER TO WED

The engagement of Pearl S. Komaiko, daughter of Mr. and Mrs. S. B. Komaiko, to Dr. Arnold Belchetz, graduate of Cambridge and son of Mr. and Mrs. Wolf Belchetz of King Williamstown, South Africa, was announced at a family dinner at the Komaiko home. Mr. Komaiko is head of S. B. Komaiko & Co., Chicago. His daughter is a sophomore in Northwestern University. Last year she won a silver cup as first prize in an oratorical contest.

* * *

TWO ELECTED VICE-PRESIDENTS

Elmo G. Johnson and L. P. Warren have been elected vice-presidents of the Associated Agencies of Chicago, the office with which Allan I. Wolff, president of the National Association of Insurance Agents, is identified.

Before the war Mr. Johnson served with the New York compensation rating board and the Chicago branch of the Aetna Life. Following the war he served as manager of the Indiana branch of the National Bureau of Casualty & Surety Underwriters. Later he became reassociated with the Aetna Life. He joined the Klee, Rogers, Wile & Loeb agency in 1923 and has been continuously associated with that office and its successor, the Associated Agencies, ever since in the production and executive work in all casualty, surety, automobile and transportation lines.

Mr. Warren's father and his grandfather served as western department

managers of the Liverpool & London & Globe and were for many years leaders in fire insurance circles. After graduating from Williams college, Mr. Warren was employed in the city office of the L. & L. & G. for five years and then for five years acted as special agent in southern Illinois and Cook county for that company. In 1920, he was made Cook county manager for the Milwaukee Mechanics and continued

in that position until 1924, when he joined the Klee, Rogers, Wile & Loeb agency. Mr. Warren served as president of the Cook County Field Club and is still active in that organization. During the 1933 convention of the National Association of Insurance Agents in Chicago, he was in charge of registration and handled that difficult job most efficiently.

* * *

SEND BROKERS' LICENSE LIST

The Chicago Board is sending out this week a partial list of Illinois brokers' licenses issued as of March 27. The bulletin contains 58 sheets out of a total of 97 in the complete list and carries up

alphabetically to the name Moreland. The remainder of the list will be bulletined as soon as received from the insurance department. Due to a change in procedure in the department, file cards listed by agencies do not show the names of the individual brokers licensed, but merely the number of these for each office. It is probable there will be a change in the method next year as the list is less useful. In using the list the Chicago Board suggests members should check against their records to determine if all persons from whom they are accepting business have been properly licensed. Secretary Alex M. Blumenthal emphasizes that the law speci-

3 REASONS *why* AGENTS LIKE MILLERS NATIONAL

friendly

"CERTAINLY no Company could be more considerate of its Agents."

—WAUKESHA, WIS., LOCAL AGENT.



prompt

"I PICK UP clients from the records of the Company in its promptness in adjusting and paying claims."

—JOLIET, ILL., LOCAL AGENT.



strong

"WE ARE particularly impressed with the financial strength and length of time the Millers National has been doing business."

—BALTIMORE, MD., LOCAL AGENT.



*Mail
this coupon
for
your own
information*

MILLERS NATIONAL INSURANCE COMPANY

One of the Strongest in Business

INSURANCE EXCHANGE BLDG.—CHICAGO

I SHOULD LIKE to know more about the Millers National.
Please send further information—no obligation, of course.

Name

Address

City and State

FIRE - WINDSTORM - AUTOMOBILE - INLAND MARINE



Indemnity Insurance Company of North America

PHILADELPHIA

CAPITAL \$1,000,000

**Casualty
Fidelity
Surety**

Unquestioned Financial Stability

Unique, Convenient Policies

Complete, Efficient Service

All Modern Coverages

*Combination Automobile Policy, Combination
Residence Policy and Complete Golfer's Policy
issued jointly with allied fire companies.*

cally requires that no brokerage or consideration of any kind should be paid to persons other than those qualified and licensed.

* * *

BISSELL VISITS CHICAGO

R. M. Bissell, president of the Hartford Fire, was called to Chicago owing to the death of his brother, Arthur Bissell, head of the Bissell-Weisert Piano Company. President Bissell remained in Chicago for a few days visiting the western department of the Hartford.

* * *

ROUNDS OUT TEN YEARS

C. R. Street, vice-president and western manager of the Great American group, has rounded out 10 years in his present position. He was president of the Fidelity-Phenix and after a tilt with the late Henry Evans, president of the board, he was catapulted out of office. He was taken up immediately by the Great American and since returning to Chicago, the scene of his earlier activities, he has grown in stature and today is at the acme of his usefulness and influence.

* * *

H. A. BUSH IS ILL

H. A. Bush of Chicago, assistant western manager of the Fireman's Fund group, suffered an attack at his home in Wilmette, Ill., some two weeks ago and has been confined to his bed.

* * *

Seventeen from the Illinois Inspection Bureau, including C. W. Soderstrom, manager, visited the American District Telegraph Company's Chicago headquarters as guests of R. E. Maginnis, inspection engineer.

* * *

Rorlek Cravens of Cravens, Dargan & Co., Houston general agents, stopped in Chicago on a trip to the home office of the St. Paul Fire & Marine.

Illinois Agents Gathering for Meet at Bloomington

Spencer Welton, vice-president Massachusetts Bonding, and Chairman P. J. Angsten of the Illinois industrial commission were unable to be on the program at the mid-year meeting of the Illinois Association of Insurance Agents Thursday in Bloomington, Ill.

President A. S. Keys will report and appoint a committee on resolutions. There will follow reports and discussions. Rockwood Hosmer, chairman of the board, will treat on the Peoria situation. Membership matters will be considered. Other subjects are casualty and automobile situation, code, dram shop liability, inland marine. The local board, farm and legislative committees, and the national councillor will report. There will follow a luncheon of directors.

The Illinois Federation meeting will occupy the afternoon, the big event being the banquet, with Mr. Hosmer and C. M. Cartwright, managing editor THE NATIONAL UNDERWRITER, as toastmasters. Addresses will be given by E. A. Henne, manager America Fore group in the west and president Western Underwriters Association; Insurance Director Palmer and A. I. Wolff, president National association.

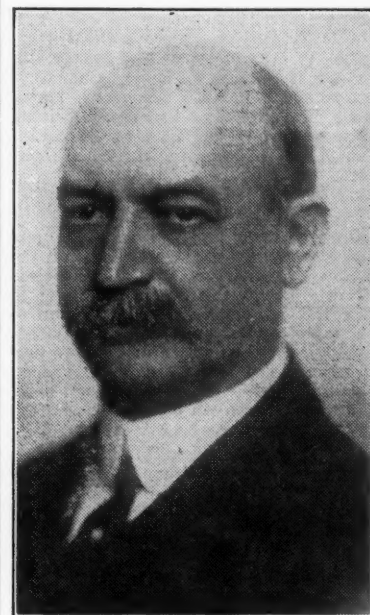
Grand Rapids Committees Named

Committees of Grand Rapids, Mich., agents to function in connection with the annual meeting there of the National Association of Insurance Agents, Sept. 18-21 have been appointed. James M. Crosby, Jr., is chairman, and G. Earle McVoy, vice-chairman of the convention executive committee.

The other committee chairmen are: Finance, Charles G. Watkins; publicity, H. W. Usher; entertainment, Chris TenBroek; registration, George C. Bickle; sports, O. J. Sawyer; hotel, Arnold Swanson; transportation, N. A. King, and reception, James M. Crosby.

Mrs. James M. Crosby, Jr., is chairman of the ladies' committee and Mrs. Clyde B. Smith of Lansing, Mich., is vice-chairman.

100 Per Cent Man



COL. WALKER TAYLOR

Col. Walker Taylor of Wilmington, N. C., well known in the North Carolina Association of Insurance Agents and in National association gatherings, and who appears from time to time at meetings of the National Convention of Insurance Commissioners, is president of the Wilmington local board. When he was chosen as its head, he determined to bring it into line with 100 coextensive membership in the North Carolina and National associations. This has been done. Colonel Taylor also intends to have the largest local board membership percentage in attendance at the annual meeting of the North Carolina Association of Insurance Agents, June 18. Colonel Taylor is a towering figure and is one of the typical southern agents who has a large following. In doing splendid work in his local board, Colonel Taylor had the special assistance of James Owen Reilly and R. L. Meares, leading local agents of Wilmington.

Brokers' National Group Meets in Chicago May 28-29

The first annual meeting of the new National Association of Insurance Brokers will be held at the Edgewater Beach hotel, Chicago, at the time of the commissioners' gathering, May 28-29, it was decided at a meeting of the executive committee in Chicago, Chairman J. A. Mudd, Jr., presiding. Tentative program details were outlined. President William Schiff of New York was present, and also Oliver Blase of St. Louis. The out-of-town members were guests of the Chicago Brokers Association at lunch. A. S. Schwartz, president of the local body and member national executive committee, being in the chair.

Committee Appointments Made

Committees of the national organization were appointed, L. Wallace of the New York office of Johnson & Higgins being chosen chairman of the compensation rate contact committee and A. J. Gallagher, chairman of the committee on mutual competition in relation to workmen's compensation. Mr. Schwartz was named membership chairman, F. P. Lavin, Chicago, on the committee on commission trends, John Slagle, Chicago, on the membership committee.

Among subjects on the national program will be measures for defeating federal bills to curtail mail solicitation of insurance and other legislation adverse to brokers.

Quits Minnesota Post; to Enter Company Ranks



R. J. LILLY

ST. PAUL, May 9.—R. J. Lilly, head of the R. J. Lilly Co. and president of the Minnesota Association of Insurance Agents, has disposed of his business here and moved to Lincoln, Neb., to manage the Central States Hail, which he has bought. It is an assessment company, which had total income last year of \$1,685.

The R. J. Lilly Co. agency has been bought by Joseph Gindorf, formerly with the R. A. and Fitzhugh Burns agency, and Oscar Kozlowski, who has been with the R. C. Wight & Co. agency.

Mr. Lilly has resigned as president of the state association and also as chairman of the executive committee of the Insurance exchange of St. Paul. F. C. Esterly, chairman of the executive committee of the state association, has called a meeting of the committee May 21 to elect a successor to Mr. Lilly.

Mr. Lilly is a member of one of the most prominent insurance families of the northwest. His father, T. J. Lilly, has been active in insurance affairs here for 40 years and two of his brothers are also prominent in the insurance field.

Approve Amending R. F. C. Act as to Loans to Insurers

WASHINGTON, May 9.—Moving to speed up legislation so as to permit the adjournment of Congress as soon as possible, the house banking and currency committee threw into an omnibus measure providing for loans to industry all five of the measures dealing with the subject.

The consolidated measure includes those bills in which provision is made for extending the authority of the R. F. C. with respect to insurance companies.

Under the bill, the act authorizing the R. F. C. to subscribe for preferred stock and purchase the capital notes of insurance companies is amended to provide that legally issued capital notes may be purchased or "such other form or forms of indebtedness as the laws of the state under which such company is organized permit" in the case of mutual organizations without capital stock, or may make loans so secured.

The amendment provides the corporation shall not make any subscription or purchase until the applicant shows it has unimpaired capital or will furnish new capital which will be subordinate to the stock or notes to be subscribed for or purchased, equal to the amount of stock or notes so subscribed for or purchased (although loans may be made upon preferred stock or capital notes or other forms of indebtedness permitted by state law if it appears such loans will be adequately secured); or if

any officers, director or employee is receiving compensation in excess of \$17,500 a year. The company will be required to agree that while any of the stock or other form of indebtedness is held by the corporation it will not increase the compensation of any officer, director or employee except with the approval of the corporation and in no event to more than \$17,500 a year, or retire any of its stock, notes, bonds or other forms of indebtedness issued for capital purposes.

Palmer to Speak in Freeport

Representatives from the western department of the Crum & Forster group and from various insurance companies domiciled in Freeport together with a large number of agents will turn out for the Rotary Club luncheon in Freeport, Ill., May 14, the speaker being Insurance Director Palmer of Illinois.

P. B. Sullivan Trial Date Set

The trial of Percy B. Sullivan on the charge of impersonating an employee of the Illinois insurance department in effecting a compromise of two claims against a mutual benefit concern, which he was operating, is set for May 15 in Salem, Ill. Insurance Director Palmer and Hiram McCullough, office manager

Announce Slate of Officers for N. Y. Insurance Society

NEW YORK, May 9.—The Insurance Society of New York will hold its annual meeting May 22. Nominees are: For president, C. G. Taylor, Jr., third vice-president Metropolitan Life; first vice-president, J. W. Russell, vice-president Aetna Fire; second vice-president, W. E. McKell, vice-president American Surety; secretary, E. R. Hardy, secretary-treasurer Insurance Institute of America; treasurer, F. F. Koehler, Koehler, Kemp & Kohler; directors, three year term, S. T. Brown, vice-president Glens Falls; F. R. DuBois, Frank and Dubois; W. J. Falvey, vice-president Massachusetts Bonding; H. H. Reed, manager North America, and A. G. Whitelaw, general adjuster Commercial Union.

For one year term: E. R. Lewis, manager United States Fidelity and Guaranty.

of the Illinois insurance department, have been subpoenaed as witnesses. Mr. Sullivan has run afoul of the law frequently. In former days he ran some fire insurance companies in Illinois and at one time was imprisoned after being convicted for issuing fake policies.

Vermont Commissioner Has Been Appointed

Governor Wilson of Vermont has appointed G. H. V. Allen of Fair Haven, commissioner of banking and insurance to succeed R. C. Clark, who has resigned. The governor stated that Mr. Allen had been prevailed on to serve as commissioner for a limited time with the understanding that he will be relieved from the duties later in the year when a permanent appointment will be made. Mr. Allen is one of the best known bankers in the state. For about 20 years he has been president of the Allen National Bank at Fair Haven. He has been active in the work of banking committees during the last two years and did some effective work during the reconstruction period last year. He has been a member of the state advisory banking board since it was created last year. He is a member of the Vermont advisory committee of the R.F.C.

Secretary Lloyd a Candidate

John A. Lloyd, secretary of the Ohio Association of Insurance Agents, has taken out nomination papers and will run for reelection as state senator.

DO YOUR ADVERTISING METHODS PRODUCE

Tangible Returns

● The other day an Agent tried to accuse us of being niggardly with our sales promotion material because we had suggested he distribute small quantities in several prescribed ways and thus determine which was most effective. "Then" we concluded "having determined just what pays in this locality, use as much as you wish."

"Never mind" said he, "several of my other Companies will give me anything I ask for and they don't care how I use it." Thus the one who tries to be constructive is sometimes frowned upon: there are those who prefer to shut their eyes and just hope that what they are doing is worthwhile. Many have found that good advertising results in direct sales.

We are distributing more free material today than ever before. Since we assembled a comprehensive collection of successful business promotion ideas, we have encouraged many new users who had previously refused such material because they did not know what to do with it.

Postage usually costs the Agent as much as the printed piece costs the Company. And when the value of the Agent's time is added, he is the major shareholder in the project. Why not make that investment pay a tangible return?

BY THE FIRE COMPANIES
OF THE AMERICAN GROUP



THE AMERICAN OF NEWARK
THE COLUMBIA FIRE OF DAYTON
DIXIE FIRE OF GREENSBORO

NEWS OF FIELD MEN

Glens Falls Veteran Retires

W. E. Walker Has Been With Company 20 Years, Most of That Time in Mountain Field

DENVER, May 9.—After 20 years with the Glens Falls, W. E. Walker, state agent, will be retired on pension July 15, it was announced by Vice-president R. S. Buddy, who spent a number of days here.

Mr. Walker, with Mrs. Walker, expects to devote himself primarily to his citrus ranch near Phoenix, Ariz., but will give part of his time to the Glens Falls as general agency supervisor, working in connection with the company's San Francisco office.

In addition to being in charge of the mountain territory for the past 18 years, he has also had supervision of Nebraska and Missouri. He started with the Glens Falls under the late J. L. Whitlock of Chicago, who was in charge of the western department. For a few years he was an independent ad-

juster, operating in Arizona and New Mexico, and was once superintendent of agents in the old Montgomery & Funkhouser general agency of Chicago. He was also with the Royal for eight years.

Mr. Walker is a past president of the Mountain Field Club and past most loyal gander of the Colorado Blue Goose. Vice-president Buddy said Mr. Walker's successor in the mountain field would be announced in the near future.

To Install Puddle of Blue Goose in Rockford May 28

Decision was reached at a luncheon meeting of officers and other leaders of the Illinois pond Monday, to hold the annual meeting of the Illinois Blue Goose the evening of June 21 at Lake Delavan, Wis., during the annual meeting of the Illinois Fire Underwriters Association there. In accordance with a suggestion from F. J. Breen, supervisor of the Illinois Blue Goose, a reso-

lution will be presented at the Lake Delavan meeting to hold the annual meeting thereafter in January in some down-state city, the officers elected then, however, not to take office until July.

Those at the special meeting voted to recommend to the annual meeting, restoring the Illinois dues to \$5. For a year or two the dues have been \$4. Recommendation will also be made that \$1 be remitted to the various puddles throughout the state for each member of the puddle who has paid his dues.

Lawrence Braman of Rockford, Ill., state agent for the Security of New Haven, who has been active in promoting a puddle in his city, was present at the luncheon meeting. It was arranged that the puddle should be established at a dinner meeting in Rockford, May 28. C. W. Ohlsen, most loyal gander of the Illinois Blue Goose, and L. H. Bridges, most loyal grand gander, will attend. Invitations will be sent to members of the Wisconsin pond. Mr. Braman said the Rockford puddle should have a membership of about 25.

J. D. LaTeer, head of the Peoria puddle, reported that his organization holds weekly luncheons on Monday in the Jefferson Hotel.

W. J. Sonnen, St. Paul F. & M., was appointed chairman of the nominating committee.

Those at the meeting instructed Wielder P. J. V. McKian summarily to drop those who do not pay their dues by the close of the fiscal year.

Hershe Joins F. & G. Fire as Iowa, Nebraska State Agent

DES MOINES, May 9.—C. J. Hershe has been appointed state agent for the Fidelity & Guaranty Fire for Iowa and Nebraska, effective May 16. Headquarters will be at 1301 Equitable building, Des Moines.

For seven years Mr. Hershe has been associate state agent in Iowa for the North America, traveling western Iowa. He resigned to accept his new position.

He started in the business with the North America, previously having been located in Peoria, Ill.

Iowa Preventionists Elect

DES MOINES, May 9.—At Monday's luncheon the Iowa Blue Goose had William Scherfe, Ft. Madison, Ia., local agent and past president of the Iowa Association of Insurance Agents, as guest speaker. He spoke on behalf of the local agents convention to be held in Council Bluffs, Ia., in August.

The annual meeting of the Iowa State Fire Prevention Association was held and all officers were reelected for another term, as follows: President, Fred Brake, Aetna; vice-president R. L. Benbow, Springfield Fire & Marine; secretary-treasurer, C. G. Borrett, Hanover, and assistant secretary-treasurer, J. H. Bunten, Fire Association.

The officers reported and L. J. Newendorp, North British & Mercantile, told of his work as chairman of the fire waste contest committee.

Mr. Bunten called attention to the necessity for frequent inspection of new hazards today caused by dry weather and high winds, citing one fire chief who devotes much time to locating such hazards. Clear Lake, Ia., will be inspected May 16.

Michigan Field Meeting Plan

DETROIT, May 9.—Plans for the annual meeting of the Michigan Fire Underwriters Association were completed at a conference with President T. C. Little, Fireman's Fund, presiding. The convention will be held at the Gross Ile Golf & Country Club near Detroit on June 12. The business session will be held at 10 o'clock and the afternoon will be given over to golf.

Although definite confirmation has not yet been obtained, it seems probable that the annual convention of the Michigan Fire Prevention Association, under

New President



J. A. REED
Topeka, Kan.

J. A. Reed, Kansas state agent of the Aetna Fire group, has been elected president of the Kansas Fire Underwriters Association. Mr. Reed was formerly with the Shaw-Reed agency of Pratt, Kan. He was made special agent of the Aetna in January, 1922, and in April 1931, was appointed state agent to succeed C. H. O'Neill.

President Don F. Goss, Continental, will be held in conjunction with the gathering as usual.

Fred T. McOmber, prominent Ann Arbor agent who was formerly in the Michigan field for the Springfield Fire & Marine and is honorary member of the M. F. U. A., will address the convention on plans for entertaining the National Association of Insurance Agents in Grand Rapids this fall.

Larke San Francisco Speaker

SAN FRANCISCO, May 9.—T. H. Larke, Jr., insurance broker and former commissioner of fire prevention of San Francisco, addressed the San Francisco Blue Goose at its luncheon May 7 on "The Disaster Preparedness Plan of San Francisco." Chief Brennan of the San Francisco fire department presided as chairman.

The San Francisco pond held its annual golf tournament and banquet May 5. S. E. McPherson, guardian, headed the committee on arrangements.

Brennan Ohio State Agent

J. A. Brennan, who for three years has been traveling representative in the middle west for Appleton & Cox, has been appointed Ohio state agent. He previously managed the Chicago branch of W. H. McGee & Co. His headquarters will be in the A. I. U. building, Columbus.

Schulze to Louisville

T. W. Schulze, for the past five years with the Yorkshire in Texas and later in Ohio, has been transferred to Louisville as state agent for Kentucky and Tennessee with offices at 207 Speed building. This territory has been open for some time and handled by Senator K. Gray, superintendent of agents and former Kentucky state agent, who needs more time to travel.

Iowa Mutual Field Men Elect

Orie S. Imes, special agent for the Mutual Fire Underwriters of Cedar Rapids, Ia., has been elected president of the 1752 club, which is composed of special agents and adjusters representing mutual fire and casualty companies operating in Iowa. The name is derived from the year in which the first

Confidence

Financial strength
plus the loyalty of
employer and em-
ployee to right prin-
ciples of business
inspires confidence
and determines the
character of a company



Will Wrightem
(Field Correspondent)

THE YORKSHIRE
INSURANCE CO. LTD.
LONDON & PROVINCIAL
MARINE & GENERAL INS. CO. LTD.
SEABOARD
FIRE & MARINE AND THE
YORKSHIRE
INDEMNITY CO. OF N.Y.

90 JOHN STREET, NEW YORK, N. Y.

American mutual insurance company was organized. The retiring president is John Winchel of the Mutual Fire & Tornado Association.

J. M. Barrett of the Iowa Mutual of De Witt is vice-president; Bryan Connell, Farmers Mutual Hail, Des Moines, secretary; Joe Elliott, Employers Mutual Casualty, Des Moines, treasurer.

May Form Two Ponds

The San Antonio and Houston puddles of the Blue Goose will join in a meeting of the South Texas pond at Galveston, June 19, which will consider plans for creating two distinct ponds.

Field Men at Head Office

The western field men of the Rhode Island and Merchants of Providence gathered at the head office for a conference with officers and department heads. This was the first time all of the western field men had been brought into the home office at the same time.

Duties of J. J. Rusco

In reporting the rearrangement of the Illinois field by the Aetna last week, the phraseology might be construed to mean that J. J. Rusco is special agent in the farm department. Mr. Rusco travels for the recording department for the Aetna and the World F. & M.

Field Notes

R. P. Morse, examiner for the Home of New York, is spending a month at the Louisville office while C. E. Fieldhouse, Kentucky special agent, is at the home office.

J. Ogden Gandy, former Virginia special agent of the National Union, has retired from the insurance business and is now an automobile salesman in Richmond.

COMPANY NEWS

L. B. Van De Wall Advanced

At the annual meeting of the Twin City Fire of Minneapolis L. B. Van De Wall was elected secretary and a director to succeed the late William Collins. Mr. Van De Wall has been assistant secretary of the Twin City since 1928 and is assistant secretary of the Northwestern F. & M., which position he has held since 1921. He has direct charge of all underwriting and agency matters for the companies in North Dakota, South Dakota, Montana, Wyoming, Colorado, Nebraska, Kansas, Oklahoma, Missouri and Iowa, and in addition has supervision of hail business in Texas. These companies are affiliated with the Hartford Fire.

O. J. Eastman Chosen Secretary

The Northwestern F. & M. of Minneapolis announces the election of O. J. Eastman as secretary, succeeding William Collins, deceased. Mr. Eastman has been employed with the Northwestern 25 years, for the past 10 years being assistant secretary. He originally traveled in the field as special agent for Minnesota and Wisconsin.

Owen New Canadian Head

B. E. Hards of Montreal, Canadian manager Guardian Assurance, has been retired on pension after 50 years of service with that company. He is succeeded by J. V. Owen, who has been assistant manager. W. H. Bell is the new assistant manager.

Goes With Distillery Company

V. D. Smith, vice-president First Kentucky Fire, Louisville, has resigned to become sales manager of the Brown-Forman Distillery Co., Louisville.

Company Notes

The Midwest Mutual of Gaylord, Minn., has been placed in receivership, H. A. Knobel being appointed.

The Birmingham Fire has entered Oklahoma with the R. M. Eacock Company as general agent.

Chicago 1933 Fire Figures Given

Cook county, Ill., fire premiums in 1933 of all companies which reported to the Chicago Board totaled \$16,891,730, the annual tabulation of that organization shows. This compares with \$16,259,072 in 1932 and \$20,589,533 in 1931. The returns by companies are, the figures shown being less return premium but not less reinsurance ceded and not including reinsurance received:

Name of Company	1931	1932	1933
Aetna	494,283	376,357	417,258
Agricultural	95,247	71,664	68,674
American	319,168	247,683	262,329
Atlas	148,668	111,475	131,841
Albany	36,481	29,929	34,354
Automobile	210,483	170,554	223,182
Am. Equitable	.....	13,530	41,989
Amer. Central	120,248	100,383	101,217
Amer. Eagle	87,549	87,311	94,542
Atlantic, N. C.	8,472	6,247	3,306
Anchor	10,985	6,338	6,261
Amer. & For.	8,175	6,105	3,266
Amer. Un., N. Y.	98,982	61,680	92,424
Amer. Alliance	77,140	61,926	55,912
Alliance	29,442	2,798	.....
American Home	133,829	117,682	109,562
Allemania	36,956	12,111	1,810
Amer. Colony	27,129	26,029	34,572
Amer. Constitu.	8,674	2,462	.....
Amer. Merch. M.	19,999	6,615	.....
Baltimore Am.	10,360	3,850	.....
Boston	18,475	31,007	28,185
Birmingham	100,732	71,638	73,690
	10,932	4,442	14,422

Name of Company	1931	1932	1933
Bankers & Ship.	82,992	72,842	75,433
Brit. Am. Assur.	6,426	7,484	7,235
Buffalo	94,528	76,167	74,287
Carolina	15,257	8,130	8,487
Columbia, O.	10,239	20,781	42,584
Caledonian	131,277	100,186	106,969
Caledonian Am.	27,134	26,172	25,175
City of N. Y.	18,834	51,353	45,767
Com. Un. Assur.	204,184	150,426	*152,090
California	17,266	13,214	19,409
Coml. Union	35,049	29,739	21,493
Continental	268,815	237,081	316,979
Capital, N. H.	996	193	92
Concordia	27,944	24,014	28,900
Commerce	56,266	33,020	23,659
County, Pa.	11,491	8,434	5,778
Citizens	23,186	10,408	30,466
Centl. Fire, Md.	36,504	39,002	29,804
Commonwealth	109,515	93,022	134,352
Columbia, N. J.	8,527	4,626	5,191
Central States	12,057	8,390	.....
Connecticut	228,586	210,093	221,896
Central Union	13,874	8,213	13,384
City In. Co., Pa.	.....	.....	.....
Camden	97,523	69,858	77,502
Century	46,675	45,546	33,599
Dixie Fire	4,962	1,461	1,879
Dubuque F. & M.	230,572	174,157	161,854
Detroit F. & M.	88,992	69,541	79,509
Delaware	.....	.....	.....
Eagle F. N. Y.	24,658	17,445	17,659
Eagle Star	.....	.....	.....
British Dom.	109,854	79,959	70,810
Empire State	26,690	44,720	51,514
Equit. F. & M.	86,837	112,966	117,274
East and West	17,901	13,812	10,236
Employ., Mass.	79,773	20,146	19,847

Name of Company	1931	1932	1933
Eureka-Secur.	48,837	44,509	35,874
Excelsior, N. Y.	3,834	2,008	1,933
Fidel, Phenix	299,862	275,937	304,076
Fire Assn., Phil.	202,020	198,213	200,080
Fireman's Fund	329,584	222,335	181,186
Firemen's	173,552	131,032	96,491
First American	30,880	40,369	35,832
First National	9,772	3,577	1,139
Fulton	9,389	7,778	8,140
Franklin	79,099	60,113	94,775
Franklin Natl.	93,287	83,872	47,893
Federal Union	137,529	87,383	90,070
Fidel. & Guar.	128,206	144,009	136,477
Farmers, Pa.	58,005	63,655	47,166
Globe & Rutgers	244,801	142,575	.....
Genl. of Seattle	43,312	17,283	30,200
Girard F. & M.	228,363	214,614	207,260
Globe, Pa.	28,624	.....	.....
Globe & Repub.	24,268	98,218	71,229
Glens Falls	313,154	258,174	220,446
Great Amer.	226,881	219,022	264,335
Granite State	40,910	35,856	29,585
Guaranty, R. I.	47,883	8,504	.....
Hamilton	23,095	9,475	.....
Home F. & M.	51,111	42,286	69,024
Home	646,446	458,948	598,216
Harmonia	.....	.....	2,527
Homeland	22,298	16,717	21,481
Hartford	570,957	465,776	471,944
Hudson	45,791	33,635	.....
Hanover	151,626	125,629	142,924
Import. & Exp.	84,292	27,372	30,266
Ins. Co. of N. A.	557,145	418,168	473,128
Imperial	10,971	22,181	15,373
Illinois	39,542	28,572	18,948
Industrial, Tex.	2,871	2,257	.....
Ins. Co. of Pa.	106,613	77,544	33,811
Iowa National	16,991	732	.....
Kan. Cy. F. & M.	1,053	3,109	3,645
Knickerbocker	52,796	14,740	17,085
London & Prov.	14,754	16,329	22,620
Linc. Fire, N. Y.	47,464	27,622	*5,512

(CONTINUED ON PAGE 34)

TEAM WORK

This Company owes its success to the team work of home office and agents.

To the smooth functioning of this team Monarch contributes broad experience and financial soundness. Monarch agents contributed their aggressiveness and enthusiasm.

Such a combination cannot help but succeed.

MONARCH

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CLEVELAND, OHIO

Ralph Rawlings, President

Capital \$500,000.00



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PERSONAL SIDE OF BUSINESS

L. E. Osborne, 43, manager special risks department Travelers Fire, died in Hartford after several weeks' illness.

He entered insurance work in 1910 as an inspector for the Tennessee Inspection Bureau and advanced rapidly in bureau work, being made manager of the Michigan Inspection Bureau at Grand Rapids, Mich., and later assistant manager of the Western Actuarial Bureau in Chicago under Manager J. V. Parker.

In 1918 when the fire companies re-entered Mississippi, he was delegated to establish the first inspection and rating bureau in that state. He left the management of that bureau in 1925 to join the Travelers Fire.

J. P. Wolfe, well known local agent at Moorhead, Minn., and state agent of the Security of New Haven group, is one of the key men in Minnesota that gives out information regarding various forms of federal relief.

R. C. Clark, insurance commissioner of Vermont, has resigned to take an executive position with the Vermont Trust Company of Montpelier. He tendered his resignation last October to accept a similar position with the bank but the governor persuaded him to continue in office until the state banking situation improved. In addition to being commissioner of insurance, he has been commissioner of banking. Governor Wilson, in accepting the resignation, paid a notable tribute to Commissioner Clark for the service he has given.

W. C. Scheide, president of the Patent Insurance Company of Hartford, died suddenly at the home of his son, L. B. Scheide, in that city. The Patent Insurance Company started in 1930. Mr. Scheide was a well known reinsurance figure in the days gone by. He started in the insurance business in Milwaukee in 1886. In 1904 he established the firm of W. C. Scheide & Co. in New York City and specialized in reinsurance. He was associated in the past as United States manager of the Balkan National of Sofia, and Prussian Life of Berlin. At one time he was connected with the Munich Reinsurance.

Mr. Scheide at one time served as resident secretary for the Royal Exchange. Later he was representative in this country for the Prussian Life. Upon the entry of the United States into the world war, both companies were taken over by the alien property custodian, with which body Mr. Scheide served as a time as head of its insurance division. Later he attempted to form the Beacon Insurance Co. to transact fire insurance. In recent years he has been negotiating reinsurance arrangements.

Willard G. Jackson, head of the Jackson Agency at Eau Claire, Wis., is credited by the Eau Claire "Leader" with having originated the idea of the present typewriter form of policy. The Jackson Agency was founded by O. F. Jackson, father of Willard G., who landed in Eau Claire in 1857. It was started in 1877. Willard D. Jackson, son of Willard G., is a prominent factor in the agency and therefore there have been three generations associated with this office. Willard G., according to the Eau Claire "Leader," devised the present standard policy and duplicate daily report, being assisted by his brother, the late F. D. Jackson. In his younger days the late F. D. Jackson was stricken with an illness which left him permanently crippled. Consequently the office work was placed largely on him. In order to simplify this, W. G. Jackson worked out the new policy and duplicate dailies. Typewriters had come into use and W. G. Jackson saw an opportunity to expedite and simplify the writing of policies and daily reports which would fit the standard typewrit-

ing machine. The idea of the duplicate reports came from having placed them in policies in order to clear out a cabinet to make room for other records. These were made to fit so that one typing operation completed the work. F. D. Jackson, who was a draftsman, worked out samples and the Jackson Agency mailed them to some 20 companies. The idea was quickly caught and approved. Mr. Jackson did not have the form copyrighted. The new plan meant a big saving in paper, time and space. F. D. Jackson, who entered the agency on Sept. 1, 1888, at the age of 18, originated an insurance filing system which has been widely copied. A fourth member of the family, F. J. Jackson, 18 years of age, is attending Carlton college and on graduation will enter the agency.

W. T. Morgan, 84-year old local agent of Greenville, Ky., died. His son, Patton, has been associated with his father in operation of the agency.

P. J. Moriarty, manager of the Detroit metropolitan department of the North British & Mercantile group, visited the United States head office of the companies on his return from a cruise through the West Indies, on which Mrs. Moriarty accompanied him.

H. H. Lovell, 60, for ten years editor of the "Forum" at Omaha, who retired four years ago because of ill health, died at his home in that city. He entered insurance work following his graduation from the University of Michigan, and at one time was a surety man in Chicago.

J. Ambler, secretary of the Ohio Mutual, Salem, recently returned from a two-month vacation at Miami. This is the first vacation Mr. Ambler has taken since his marriage 30 years ago. He has been connected with the Ohio Mutual 45 years.

C. H. Weiss, vice-president of the Mutual Fire of Germantown, Pa., died at the age of 82. He had been associated with the Mutual Fire 62 years.

W. F. Mead, who retired from the local agency business in Troy, N. Y., in 1916, after more than 30 years in that work, died in a hospital in his city at the age of 76.

E. M. McKinney of Ellis & McKinney, Des Moines agency, is seriously ill. He had a stroke while he was driving his car, but was able to guide his car off the road.

Frank L. Britton, former Kansas state agent for the North British & Mercantile, later vice-president Preferred Risk Fire, and more recently an independent adjuster in Topeka, has been appointed district manager of the Home Owners Loan Corporation for northeast Kansas and took up his new duties this week. He has been active in the Blue Goose and field organizations and served as president of the Fire Underwriters Association of the Northwest. He has recently been an active candidate for postmaster of Topeka and his removal from that race leaves the contest between **Lakin Meade** of the Meade Investment Company, well known Topeka local agency, and John Barrett.

C. G. Hale, Cleveland local agent and head of the insurance classes at Fenn College, will speak at Marietta College, Marietta, O., on May 19. Prof. R. F. Clark's insurance class had a class in business administration.

President **J. B. Levison** of the Fireman's Fund is on an eastern trip. He stopped between trains in Chicago to confer with Western Manager S. M. Buck.

The New Leadership

AT THE luncheon given for the executive committee of the NATIONAL ASSOCIATION OF LIFE UNDERWRITERS in Cincinnati at the close of the mid-winter meeting **HOLGAR J. JOHNSON** of Pittsburgh made the keynote address, in which he stressed the point that the revival in business is coming with the advent of new leaders into the field, in each branch of industry.

In his own city of Pittsburgh, he said, the list of new names on boards of directors and among officials of the great corporations and businesses is startling. Undoubtedly this is true elsewhere. The commercial and industrial map is radically changed. Many of the old leaders have outlived their usefulness, they cannot readapt themselves after the experience first of inflation and prosperity, in which many leaders were dragged from sound moorings, then of the depression which followed and which strained and tested men to their uttermost, in many cases removing them from the scene entirely.

Now the new leadership comes along. This leadership as a rule is strong-armed and hard-boiled; it is daring, efficient, irreverent if you please, and ambitious. It has the spirit of adventure and never-say-die; it loves the conflict for its own sake; it accepts the challenge of defeatism and plunges in,

while the mass of workers are still waiting around aimlessly until business shall right itself.

But business does not right itself; it is set in motion by these venturesome spirits, the new leaders. Mr. JOHNSON's own agency in Pittsburgh did a considerably larger business last year than it has in the past. He frankly stated that the reason for his agency's success was that his men took advantage of the fact that many agents of the other companies had retired from business altogether or had lost their nerve, which gave his men a great opportunity to go out and get what business there was. He mentioned the fact that some 1,500 agents had left the business in the Pittsburgh district.

The recovery that is taking place in business in every line suggests a flock of sheep jumping over a fence; one more venturesome than the others does it first, is followed by two or three more, then the whole flock goes over. But in the business world this daring is accompanied by a closer analysis, a better organization and particularly the elimination of all the dead wood and accumulated rubbish of the past.

The new leader knows exactly what he has to work with, what he is contending against and just where he is going.

Less Audacity—More Service

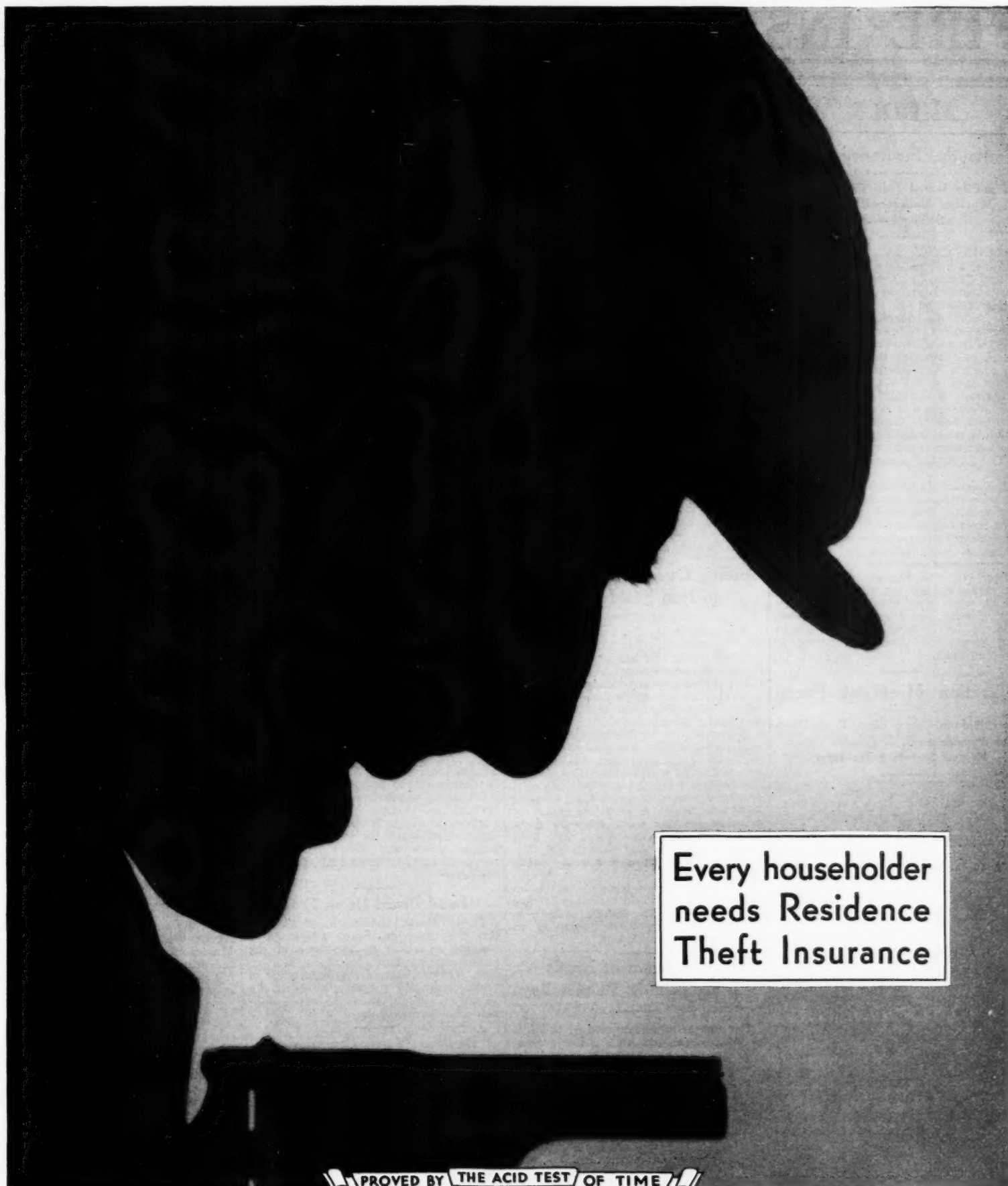
BERMINGHAM & POSSER Co. has a house organ which in a recent issue paid its respects to a speaker before the DIRECT MAIL ADVERTISING ASSOCIATION convention, who made the point that what salesmen need more than any other characteristic is audacity. The house publication mentions some of the synonyms of audacity, they being impertinence, sauciness, impudence, presumption, assurance, insolence, effrontery. The writer in the publication says there are too many salesmen with a superfluity of audacity already. Then he writes further as follows:

"The man who calls me 'Bill' when he meets me for the first time and puts his

feet on my desk has audacity. But I'll be darned if he can sell me anything.

"Though I had not expected to do so, I recently bought some additional life insurance. The man who sold me talked quietly, knew his stuff, was conservative in his claims and got over on my side of the fence and rendered me a real service. He exemplified in his selling qualities that won my confidence—and confidence is the foundation of every sale.

"I think salesmen would sell more if they declared a moratorium on audacity, and instead pasted the words Service and Sincerity in their hats in capital letters."



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ATLANTA

DALLAS

MONTREAL

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Warns the Insurance Buyers

Sioux City Board Tells Citizens About Work of Unlicensed Salesmen Selling Policies

SIOUX CITY, IA., May 9.—Members of the Fire & Casualty Underwriters Board of this city have run display advertisements in the daily papers calling attention of insurance buyers that numerous people have suffered embarrassment and loss from buying policies from persons not legally licensed in companies said to be issuing the policies. Quotations from the Iowa license laws and the penalties for unauthorized solicitation of insurance were given. It was recommended that insurance buyers "request solicitors to establish their legal authority to write insurance for the company or companies with which the insurance is to be placed."

The names of 19 agencies, members of the local board, appeared in the advertisements. The main trouble has not come from the fly-by-night solicitors for non-admitted companies but from the actions of some agents and solicitors who have been suspended by their companies. In one flagrant case policies left in an agency ten years ago by a special agent who checked out of the agency, were issued and the premiums collected for. Other current policies have been issued and not reported to the companies.

Federation Meets at Fargo

North Dakota Group Elects C. A. Dawson President—O. J. Trimble Again Named Secretary-Treasurer

FARGO, N. D., May 9.—C. A. Dawson, Dawson Insurance agency, Fargo, was elected president of the Insurance Federation of North Dakota at a business meeting preceding a banquet concluding the annual convention here. O. J. Trimble of Devils Lake was re-elected secretary-treasurer. Named to the executive board were J. F. Nichols of Oakes, retiring president; Monte Biggs, New Rockford; P. H. Wilder, Grand Forks; R. J. Doeblar, Minot, and A. W. Cray, Fargo.

Feature of the program was an address by J. T. Hutchinson, secretary of the Insurance Federation of America, who stressed educational work as the salvation of the insurance business. Other addresses were given by Clyde Helm, Minneapolis, secretary of the Minnesota federation, Mr. Dawson and A. K. Bolton, Fargo.

Drive on "Factory Agents"

SOUTH BEND, IND., May 9.—The recently incorporated Fort Wayne Insurance Board has started an aggressive campaign to carry out its plan to reduce the activity of part-time and "factory agents," and to bring to public attention the need of expert service in insurance handling. Permanent quarters have been leased in the Central building, Fort Wayne, and at a special meeting of the board April 27, approval was given to the immediate opening of the field campaign.

Newspaper advertising will be used to acquaint the public with the program of the board on fire and accident prevention, and the elimination of undesirable competition from companies and agents who are not destined to become permanent in the business.

Nebraska Program Completed

F. C. Snapp, R. C. Mead, C. F. Liscomb and C. L. Mehegan to Talk at Kearney Meet

OMAHA, May 9.—The program for the Nebraska Association of Insurance Agents' annual meeting at Kearney, May 16-18, has been completed. F. C. Snapp, Chicago, manager Aetna Fire farm department, will discuss "Farm Insurance." R. C. Mead, assistant manager National Bureau of Casualty & Surety Underwriters, "Rates and Rate Making"; C. F. Liscomb, Duluth, National Association of Insurance Agents executive committeeman, "Work of the National Association," and C. L. Mehegan, Minneapolis, general adjuster Western Adjustment, "The Agent's Part in Adjusting Losses."

Executive sessions will be held Wednesday evening and Friday morning and the formal program and reports are to be presented Thursday followed by a banquet. Friday afternoon will be devoted to golf and other amusements. P. W. Downs is president of the Nebraska association.

Sending Out Ohio Licenses to Non-Resident Brokers

Any delay in issuing non-resident brokers' licenses in Ohio has been due to rush of work, and has not been intentional, Superintendent Warner stated this week in regard to complaints from a number of brokers domiciled in other states. The matter was called to his attention by Director Palmer of Illinois.

Some of the non-residents stated it was rumored that the department was withholding these licenses pending determination of action under the Ohio 90-day balance rule, and also possibly as a retaliatory measure against such states as Illinois which is requiring report of balances overdue more than 90 days. Judge Warner stated there has been some delay in regard to balances, but the non-resident licenses now are being mailed out.

He said there has been no retaliation of any kind. It is said the Ohio balance rule is essentially the same as is in force in other states, and thus there is no basis for retaliatory action.

Illinois Department Needs More Money, Palmer Says

For proper administration of the Illinois insurance department, the present appropriation of \$400,000 should be doubled, Insurance Director Palmer told a luncheon meeting of the Illinois committee of the Chicago Association of Commerce. The department collects some \$6,000,000 in taxes and fees, he pointed out. The department must supervise 147 legal reserve life companies, 23 assessment life companies, 135 mutual benefits, 201 casualty companies, 137 farm mutuals, 2 Lloyds, 35 reciprocals, 14 assessment accident and health companies and 239 fraternal. This year so far there have been issued 68,000 agents' licenses, 7,000 brokers' licenses and 3,000 solicitors.

He assured his audience that political considerations have not actuated his decisions. He said he has replaced 60 percent of the personnel of the department but every change was made for other than political reasons. Of the 26 members of the examining board, all but six are new men. The examiner, he declared, should have a knowledge

of accounting, of investments, be above reproach and hard boiled.

The liquidation bureau is functioning in an intelligent way. Although he has not been able to tackle the job of drafting a program for recodification of the Illinois insurance laws, he said he still hopes to present such a program to the 1935 legislature.

Dixie in Kansas, Missouri

The Dixie Fire of Greensboro, N. C., has terminated its general agency contract with James H. Good, Kansas City, in Kansas and Missouri. C. F. Christ & Co. of Kansas City have been appointed general agents for the Dixie in these states exclusive of the city and county of St. Louis. Mr. Christ has had many years of field experience in both states.

Recommends Coverage Review

MINNEAPOLIS, May 9.—The Hennepin county grand jury has recommended a review of all insurance as a result of criticism by E. J. Pearlove, state controller, that the county board has over-insured some of its properties. Mr. Pearlove claimed the inventory of the properties did not warrant the size of policies carried.

Wausau Seeks Better Rating

WAUSAU, WIS., May 9.—The fire prevention committee of the Wausau chamber of commerce is arranging a conference with F. R. Daniel, chief engineer Fire Insurance Rating Bureau, Milwaukee, relative to further improvements in fire protection to secure a better rating. Wausau was recently reduced from Class C to Class D. The Wausau Board has pledged its full cooperation.

Police Arson Squad Established

The National Board through Chief W. H. Gardner of the Underwriters' Fire Patrol of Kansas City and Ralph Truman, special agent of the National Board, are assigning Sergt. P. S. Hoyt, in charge of the police arson squad, in establishing a school of instruction and training for curbing incendiarism. The purpose is to teach the police and fire department heads the best ways of detecting arson and the most effective means of running down and prosecuting firebugs.

Local Board Hears Frost

H. E. Frost, Indiana state adjuster for the America Fore, addressed a meeting of about 25 members of the Grant county local board in Marion, Ind. He emphasized the importance of properly writing the policies, especially as to ownership, so as to avoid difficulties in adjustment.

Dawson Warns Commission

FARGO, N. D., May 9.—C. A. Dawson, Dawson Insurance agency urged stricter enforcement of present laws regarding fireworks in Fargo before the city commission. Mr. Dawson also warned the commission that if the epidemic of automobile thefts continues, Fargo may expect to get a higher auto theft classification.

Regain Kenosha School Line

KENOSHA, WIS., May 9.—As the result of a determined effort made by the Kenosha Insurance Underwriters Association to regain the fire insurance on public school buildings, the board of education has voted to place policies expiring this year, one-third of the total carried, with the local agents instead of the state fund. The agents, under the direction of Fred Stemm, president, held several conferences with members of the school board and developed a plan for better service and closer con-

tact through the local agents than was provided by the state fund.

The agents are now arranging for a reinspection of Kenosha schools which is expected to result in a substantial reduction in rates.

Question Allstate Activities

COLUMBUS, May 9.—The course that the Allstate and the Allstate Fire have been following was the subject of a conference between local agents and the Ohio department. It is charged that the two companies have named only two representatives in the state, one in Cleveland and one in Toledo, and that both of these are connected with Sears, Roebuck stores. The agents allege that the two companies are not acting in good faith as the law requires. The department took the matter under advisement.

Council Reelects Buford

A. A. Buford has been reelected manager and general counsel for the Missouri Insurance Council for another year. Among his other duties Mr. Buford looks after insurance legislation at Jefferson City when the Missouri legislature is in session.

Universal Wins Detroit Case

There has been some confusion of the case involving the Universal of Newark in Detroit, wherein an assured, Louis Achtman, who was charged with arson and acquitted, was endeavoring to collect his claim. The jury brought in a verdict of "no cause of action," which meant, of course, that the Universal won the case. The Universal deserves credit for the stand that it took. Companies are becoming more courageous when cases of this kind arise. On April 26, an action against the Northern of England was dismissed where the company pleaded arson as a defense. In that case the assured had not been proceeded against criminally.

Another case was against the New Hampshire Fire, and another of a similar nature against the First American Fire. In both these last mentioned cases the police had investigated but declined to prosecute. Nevertheless the verdict in these cases, when the assured attempted to collect, was "no cause of action."

C. F. Liscomb to Speak

C. F. Liscomb of Duluth, Minn., member of the executive committee of the National Association of Insurance Agents and national councillor for the Minnesota association, is scheduled to be the principal speaker at the next meeting of the Insurance Club of Minneapolis May 21.

Arson Ring in Minneapolis

MINNEAPOLIS, May 9.—Harry George, deputy state fire marshal, testifying at the Minneapolis civil service commission hearing on the trouble between the city fire prevention bureau and the Minneapolis branch of the state fire marshal's office, charged that an arson ring has been operating in Minneapolis and has been responsible for many fires. Mr. George said members of the ring could be rounded up with proper cooperation. He favors the transfer of the city fire marshal's staff to the fire prevention bureau and that all arson investigations be carried on by the state fire marshal. "It would mean a saving of between \$8,000 and \$10,000 in salaries," he said, "and would eliminate the trouble due to lack of cooperation."

Shook Opens His Own Office

J. W. Shook, who for the past four years has been affiliated with the Macklin Insurance Agency, Columbus, O., has opened a new insurance agency at

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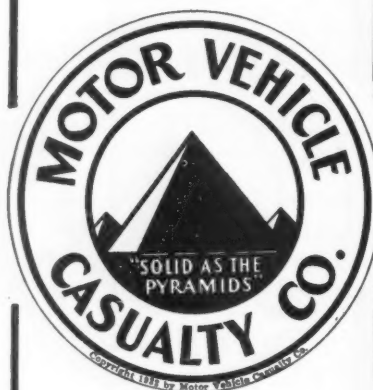
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16 East Broad street. He was recently appointed general agent for the Maryland Casualty and has complete facilities for claim adjustments and engineering service for both fire and casualty lines.

Take Caledonian-American

The L. C. Dobbert general agency of Milwaukee May 1 took representation of the Caledonian-American as general agent in Wisconsin.

Toomey Leaves Ohio Department

After upwards of 20 years' service with the Ohio department, R. W. Toomey, rating clerk and acting warden, is succeeded by Lawrence Jeffries, who will have the title of warden.

Mutual Has Agency Affiliate

The Iowa Home Owners Realty & Insurance Co., affiliated with the Iowa Home Owners Mutual, Des Moines, plans to enter the real estate management and insurance business. E. J. Frisk, president of the mutual, is legal counsel for the new company.

Seeks Prevention Man's Dismissal

MINNEAPOLIS, May 9.—Fire Chief Earl Traeger has asked the dismissal of C. A. Johnson as superintendent of the fire prevention bureau of

Minneapolis. Chief Traeger charges Mr. Johnson with neglect of duty and failure to obey orders.

MIDDLE WEST NOTES

R. C. Fraser, 62, local agent at International Falls, Minn., is dead.

F. M. Miller of Bowman & Miller, East St. Louis, Ill., died in a St. Louis hospital from heart disease. He had been ill since last May.

B. F. Bradbury, 67, local agent at Muncie, Ind., died at his home after a long illness. He had been active in the insurance business 35 years.

F. W. Scharfenberg, 42, deputy state fire marshal, died at a Des Moines hospital following an illness of several months.

P. A. Schoechert, 73, veteran local agent of Watertown, Wis., died at his home there after a brief illness. Until a few weeks ago he had actively managed his agency.

F. B. Jerrard, 76, for many years a local agent at Superior, Wis., first as a member of the firm of Jerrard & Lenroot, later Jerrard & Sequin, died at a Madison, Wis., hospital after a lingering illness. Two years ago he moved to Madison, his agency interests going into other hands.

The Hutchins & Hamm Company, Portsmouth, O., has changed its name to Hamm & Vetter, Inc. The two leading men of the agency are Arthur L. Hamm and Louis J. Vetter. The business was established in 1885 as Hutchins & Hamm and in 1914 was incorporated.

IN THE SOUTHERN STATES

Kentucky Loss Ratio Is 47%

Premiums, Losses and Ratio for Stock
Fire Companies Writing Over
\$50,000 Given

LOUISVILLE, May 9.—Fire companies had an average loss ratio of 47.4 percent in Kentucky last year. The 1933 premiums, loss and ratios for the companies writing \$50,000 in business or more follow:

	Premiums	Loss	Ratio Pct.
Aetna Fire.....	\$380,655	\$199,575	52
Amer. Eagle Fire..	92,083	70,517	76
American, N. J....	158,143	59,626	37
Automobile.....	60,496	19,755	32
Boston.....	52,260	24,724	47
Camden Fire.....	84,867	25,593	30
Citizens.....	57,001	8,889	15
Comcl. Un., Eng..	50,723	22,006	43
Continental.....	578,617	324,871	56
Dixie Fire.....	83,460	53,571	64
Fidelity-Phenix..	259,338	199,984	77
Fire Assn.....	90,081	32,033	35
Fireman's Fund..	175,319	20,184	12
Firemen's, N. J..	108,070	55,224	51
Franklin Fire....	76,578	42,052	54
General Exch....	109,995	52,487	47
Glens Falls.....	60,524	25,240	41
Great American..	169,208	112,606	66
Hanover Fire....	88,318	38,034	43
Hartford Fire....	555,227	276,102	49
Home, N. Y.....	738,374	415,998	56
L. & L. & G.....	141,017	53,973	38
London & Lanc..	50,564	14,408	28
London, Eng....	75,527	38,394	50
National, Conn..	98,906	32,742	33
Natl. Liberty....	53,336	43,624	81
Natl. Security....	74,475	45,875	61
Natl. Union.....	95,079	32,362	34
New York Under..	111,496	66,509	59
Niagara.....	76,875	58,989	76
North America..	219,736	87,621	39
Northern, Eng..	75,580	28,576	37
Northern, N. Y..	87,513	23,897	27
No. Brit. & Merc.	97,175	70,792	72
North River....	93,031	45,534	48
Pennsylvania....	72,358	21,786	30
Phoenix, Conn..	81,488	25,304	31
Queen.....	98,789	38,415	38
Royal.....	173,486	68,428	39
Royal Exch.....	52,627	22,156	42
St. Paul F. & M..	91,768	42,050	45
Scot. Un. & Natl.	83,734	49,182	58
Security, Conn..	104,259	36,478	34
Springfield F. & M.	163,807	81,214	49
Standard, N. Y..	52,784	2,916	5
Sussex.....	56,707	15,452	27
Sun.....	95,696	40,747	42
Tokio M. & F....	30,441	4,904	16
Travelers Fire...	156,691	47,244	30
Yorkshire.....	113,928	31,904	28
Westchester.....	85,848	55,235	64

Virginia Rating Bureau to Meet

The annual meeting of the Virginia Insurance Rating Bureau will be held in Richmond June 8. A. R. Phillips, vice-president Great American, is now chairman of the governing committee, and B. C. Lewis, vice-president Virginia Fire & Marine, is vice-chairman.

Arrange for Arkansas Rally

Hot Springs Local Agents Elect Officers
and Prepare for State
Meeting

HOT SPRINGS, ARK., May 9.—At the annual meeting of the Hot Springs Association of Insurance Agents, John Adkins, Security Insurance Agency, was chosen president; John H. Morris of the J. H. Morris Agency, vice-president, and R. H. Rowe, Arkansas National Company, secretary-treasurer.

President Adkins appointed C. C. Disheroon, Dodson Insurance Agency; Monroe Hickman, Hickman Insurance Agency, and J. O. Langley of the Langley Insurance Agency to serve on the arrangements committee for the coming convention of the Arkansas Association of Insurance Agents, which will hold its annual meeting at the Arlington hotel here May 18-19. Roy Donham of Rightsell, Pearson, Collins, Barry of Little Rock is president. The arrangements for the state convention are in the hands of L. R. Martin of Pochontas, who is manager.

S. E. U. A. Committee Visits Augusta, Ga., on Mutual Rule

AUGUSTA, GA., May 9.—The mutual committee of the Southeastern Underwriters Association met in Augusta with the executive committee of the Augusta Board to discuss the board's mutual brokerage rule. The S. E. U. A. committee comprised W. R. Prescott, southern manager Hartford Fire; John W. Clarke, America Fore; J. H. Hines of Hines Brothers and J. S. Raine, secretary of the S. E. U. A.

Members of the committee expressed their disapproval of the newly adopted Augusta brokerage rule, stating that it would have far reaching effect. Various members of the Augusta board said they saw no difference between their rule and the present "Pinchurst" rule which makes fish of one set of mutuals and fowl of others. Many present stated that they wanted complete separation, or that they be allowed to work out their own problems unmolested. The regular monthly meeting of the Augusta Board is some two weeks off and at that time a full report will be given



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Annual Statement, December 31, 1933

Reserve for Unearned Premiums.....	\$1,158,711.30
Reserve for Losses, Taxes, etc.....	342,236.66
*Contingency Reserve	535,317.50
CASH CAPITAL	1,000,000.00
NET SURPLUS	1,192,080.93

TOTAL ASSETS	\$4,228,346.39
SURPLUS TO POLICYHOLDERS....	\$2,192,080.93
Actual Market Value	

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*Contingency Reserve represents difference between Value carried in Assets and actual December 31, 1933, Market Quotations on all Bonds and Stocks owned.

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PROVIDENCE WASHINGTON INSURANCE CO. of Providence, R. I.

Capital \$3,000,000

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Capital \$500,000

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the members of this meeting with the S. E. U. A. Other than friendly discussions nothing official developed from the meeting.

Bradfield & Rhudy Purchase Jacksonville General Agency

Bradfield & Rhudy, general agents of Jacksonville, Fla., have purchased the general agency of Lawrence Haynes & Son of that city. The companies involved in the purchase are the London & Lancashire, Orient and Law, Union & Rock. The Bradfield & Rhudy agency already had the Baltimore American, Dixie Fire, Federal Union, Franklin Underwriters, Michigan F. & M., Northwestern F. & M., Twin City Fire and Universal. J. M. Bradfield is president, J. T. Rhudy, vice-president, S. G. White, secretary, and N. F. Smith, treasurer. Haynes & Son will continue to do a local agency business. Bradfield & Rhudy founded their agency in September, 1928, when they purchased the fire and automobile general agency of W. M. McCrory Company. They operate only in Florida.

Texas Agents Plan Campaign to Get Driver's License Law

DALLAS, May 9.—A state-wide campaign for an automobile driver's license law, with local agents taking the leading part, will be considered at the annual meeting of the Texas Association of Insurance Agents here May 24-25. Reduction of automobile accidents and a resultant reduction in insurance rates will be the purpose of the campaign.

A special meeting of Dallas agents and some of those from surrounding districts will be held here May 18 for preliminary discussion of the proposed campaign. Plans will be laid at this meeting for putting the Texas association squarely behind the drive. The discussion of the campaign and how best to launch it will be led by C. A. Miller, president of the Dallas Accident Prevention Association, a newly organized group operating in connection with national casualty organizations.

Dallas Insurance Women Elect

DALLAS, May 9.—The Insurance Women's Club has elected these officers: Mrs. Jessie B. Vincent, president; Miss Aragartha Howell, first vice-president; Miss Clara Kirkland, second vice-president; Miss Judie Tarver, recording secretary; Miss Lula Weeks, treasurer, and Mrs. Dallis H. Chisholm, corresponding secretary.

Talk Scorch Claims at Savannah

SAVANNAH, GA., May 9.—The Savannah Local Board heard a talk by Don A. Fraser, adjuster, on the much debated subject of "scorch claims." Mr. Fraser said the companies would pay for damages only where fire ensued or in the instance of a slow smoldering fire which extended beyond the area around the cigarette which caused the damage. A visitor at the meeting was Scott Nixon of Augusta, former president of the Georgia Association of Insurance Agents.

Texas Balance Situation Better

SAN ANTONIO, May 9.—Field men report that the payment of balances is much improved and that almost all agencies which have been having a struggle the past year are now on a 60-day basis. Those who cover the tornado swept district report that companies which paid promptly are now profiting in business written and premium volume in all lines.

No Oil Field Rate Change

OKLAHOMA CITY, May 9.—In a conference with a committee representing the city council, Manager C. T. Ingalls of the Oklahoma Inspection Bu-

reau made it plain that no change could be made in fire insurance rates in the city oil field, regardless of the fact that favorable experience was revealed by a recent survey authorized by the council. He said present charges are in line with the general practice of rating, and there is no reason for making any change.

A proposal to force oil companies to pay the additional fire premiums for hazards which they have created in this area, on residential and industrial property, resulted in submitting the question to the city attorney for an opinion as to its legality. Final report of the committee to the city council will be delayed pending receipt of this opinion.

Kentucky Meeting at Lexington

LOUISVILLE, May 9.—The Kentucky Association of Insurance Agents, according to Secretary J. W. Bethel, has tentatively arranged to hold its annual convention at Lexington June 12, and perhaps the following day. Details will be arranged at a meeting of the convention committee in Lexington May 11.

The Kentucky Fire Underwriters Association has also tentatively arranged to meet at Lexington June 12 or at the same time as the meeting of the local agents. This was agreed upon at the monthly meeting here Monday.

Buffalo Appoints Maddox

JACKSON, MISS., May 9.—H. D. Maddox, who maintains an independent adjustment and inspection office here, has been appointed to make inspections for the Buffalo in Mississippi. He will continue his other adjustment and inspection work. The arrangement with the Buffalo was completed last week, when President S. R. Kennedy visited Jackson.

New Jackson Agency Rejected

JACKSON, MISS., May 9.—The Jackson local board has declined to admit the recently formed local agency of Spencer, Murphree & Spencer to membership.

The Travelers Fire, to which no protest was made on its planting in the agency, has said it will not withdraw. The other two companies, the Rhode Island and Agricultural, have had no statement to make.

Pacific National Reenters Mississippi

The Pacific National Fire which withdrew from Mississippi several years ago on account of high loss ratio, has applied for readmission. It formerly operated through the general agency of L. Monrose of New Orleans, but has not yet designated a new general agent for Mississippi.

Stevens in Dallas

DALLAS, May 9.—Jay W. Stevens, National Board expert, is conferring here with city officials and the Dallas fire prevention council.

Southern Notes

Mrs. C. R. Burton, wife of the Dallas local agent, is dead.

R. K. Langan and B. F. Russell of the Kentucky Actuarial Bureau are in Corbin, Ky., making an inspection and rating survey.

J. F. Cooper, Fordsville, Ky., local agent, on May 2, was presented a gold watch fob, by the Continental, in recognition of 25 years of service.

C. M. Ortega has retired from the Ortega, Robins & Race agency, Richmond, Va., and is now with H. V. Godbold & Co., of that city. He started as a clerk in the Virginia rating bureau and later was with a brokerage house in New York for a time.

Many Codes Yet in Embryo

The National Recovery Administration states that more than 400 codes have been approved. There are 500 more proposed. Many of these have had public hearings and will be passed on in due time.

PACIFIC COAST AND MOUNTAIN

Report Is Made on Phoenix

National Board States That the Fire Department Is Undermanned and Poorly Trained

The National Board in reporting on Phoenix, Ariz., shows the fire loss for the last five years was \$773,925 with an average loss per fire of \$670 and an average loss per capita of \$3.13.

The engineers say that the supply works are adequate and fairly reliable. There are sufficient quantities of water for fire protection generally available at times of moderate consumption. The fire alarm system is inadequate and somewhat unreliable.

Situation in Mercantile District

The engineers say that in the principal mercantile district, structural conditions are such as to make severe group fires probable in a number of blocks, but because of the generally low heights of buildings, wide streets and good accessibility, the probability of a general conflagration is moderate to low. In minor mercantile or industrial districts group fires only should occur.

Bars Dividend-Paying Fire or Auto Policies in Oregon

SALEM, ORE., May 9.—No further dividend-paying fire or automobile policies may be issued in Oregon after May 27, according to a ruling just issued by Commissioner Averill, in which he gives companies issuing this type of policy 30 days from April 27 to comply with the ruling. The action of Commissioner Averill is based on an opinion of Attorney General Van Winkle given last October and a more recent examination of the law, after the matter was brought to Mr. Averill's attention by a committee of local agents.

The General of Seattle and the American Druggists have been issuing par-

ticipating policies in Oregon and recently application was received from the Oregon Automobile for permission to amend its charter so it might issue participating fire policies.

California Stock Premiums Decrease 15 Percent in 1933

SAN FRANCISCO, May 9.—Stock fire premiums in California decreased 15 percent or \$7,318,397 in 1933, Commissioner E. F. Mitchell reports. Mutual fire companies showed an increase of \$73,914 in net premiums, while reciprocals and interinsurance exchanges gained \$139,783 in premiums. Domestic stock fire companies' premiums in California totaled \$30,253,612 against \$35,764,051 for 1932, while foreign stock fire companies' premiums were \$7,933,426 compared with \$9,741,385 in 1932. Mutual fire premiums totaled \$1,949,914 for 1933 and \$1,876,000 in 1932. Reciprocals and interinsurance premiums totaled \$359,463 in 1933 and \$219,679 in 1932.

Stock fire net losses decreased \$3,501,355, being \$18,079,054 for 1933 and \$21,580,410 in 1932. Mutuals' net losses increased to \$915,275 in 1933 from \$772,247 in 1932. Reciprocals and interinsurance exchange losses decreased, being \$98,988 in 1933 and \$121,422 in 1932.

Seek Further Los Angeles Change

LOS ANGELES, May 9.—In consequence of the recent reduction in Los Angeles rates by the Pacific Board, definite policy changes are being considered by agencies here. One is the contemplated adoption of a six-point coverage as a substitute for the changes, which coverage would include the standard fallen building clause waiver, simple explosion, windstorm, aircraft damage, riot and civil commotion. Board agents feel such changes are necessary to meet non-board competition, as most of the non-board companies have reduced their

Pacific Board Officers Elected



JOHN C. DORNIN

John C. Dornin of San Francisco, manager of the Springfield F. & M., who has been nominated for the presidency of the Pacific Board, will be elected to that office at the annual meeting at Del Monte, Thursday of this week. Joy Lichtenstein, Pacific Coast manager of the Hartford Fire group, has been nominated for vice-president. The executive committeemen are A. L. Merritt, America Fore; A. J. Chapman,



JOY LICHTENSTEIN

Chapman & Co.; A. N. Lindsay, California; C. K. Stutt, Netherlands; L. B. Daniels, Seeley & Co.; Paul Bates, Portland. The alternates are Ray Ellis of Rolph, Landis & Ellis; George O. Hoadley, American of Newark; H. R. Jackson, Atlas. Mr. Dornin has served as vice-president during the year and Mr. Lichtenstein has acted as chairman of the executive committee of the board.

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J. A. KELSEY, President

C. L. HENRY, Secretary

G. Z. DAY, Vice-President

Statement December 31, 1933

CAPITAL	\$1,500,000.00
PREMIUM RESERVE	1,226,193.71
OTHER LIABILITIES	221,955.00
CONTINGENCY RESERVE	479,739.13
NET SURPLUS	2,204,808.07
TOTAL ASSETS	5,632,695.91

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rates further and in addition are including the fallen building clause waiver without extra charge.

Discuss Earthquake Losses

LOS ANGELES, May 9.—The subject of earthquake adjustments was discussed at a meeting here of members of the American Association of Adjusters for Fire Insurance Companies. The chief speaker was Paul Jeffers, construction engineer. President Emmet O'Brien, Fireman's Fund, conducted the meeting.

Pacific National's General Agents

Wilcox, Ritter & Monaghan, Gas & Electric building, Denver, have been appointed general agents of the Pacific National Fire of San Francisco for Colorado, Wyoming and New Mexico. President Belgrano and Vice-President W. L. Wallace were in Denver and made the appointment.

Extends New Mexico Invitation

President J. K. Boyce of the Texas Association of Insurance Agents has extended an invitation to President D. L. Jones of the New Mexico association to arrange for a delegation from the latter state to attend the annual meeting of the Texas people at Dallas, May 24-25. Mr. Jones is a local agent at Clovis, N. Mex.

Worried by N. M. Tax Law

DENVER, May 9.—There seems to be much question as to the exact effect of a tax measure passed by the New Mexico legislature, which affects every person engaged in selling insurance of any kind. It levies a tax equal to 2 percent of their gross receipts, but this

"gross" is interpreted in the bill as meaning only the total amount of their commissions on such business.

One provision states that the tax will be considered as a part of the agents' overhead, and that it may be passed on to the buyer as far as possible. The act specifically exempts: "Premiums collected by insurance companies on which a tax is levied by the laws of the state."

Legal advice probably will be sought to clarify the situation.

Set California Convention Dates

OAKLAND, CAL., May 9.—The annual convention of the California Association of Insurance Agents will be held Oct. 24-26 at Sacramento. The executive committee set those dates at an all-day session here. A resolution on the death of Percy H. Goodwin was adopted. There was considerable discussion of the farm and growing grain situation and of a plan to work with the California Land Title Association in servicing business properly.

Regional Meeting at Chehalis

A regional meeting of the Insurance Agents League of Washington is slated for May 11 at Chehalis. The program will get under way promptly at 2 p. m. Commissioner W. A. Sullivan will speak at the banquet.

Liscomb to Visit Associations

C. F. Liscomb of Duluth, member of the executive committee of the National Association of Insurance Agents, is planning a trip through the northwest and Rocky Mountain territory in August to attend the conventions of the Montana, Wyoming, Idaho and Washington associations. It is hoped that

a schedule of dates can be arranged so that he can attend all the meetings.

Named Superintendent

SAN FRANCISCO, May 9.—P. F. Gardiner has been appointed superintendent of the metropolitan department of the Norwich Union. Leaving insurance a year or two ago, Mr. Gardiner entered the jewelry business. However, he continued to take an active interest in the fire insurance business, serving as chairman of the fire prevention committee of the junior chamber of commerce.

Pacific Coast Notes

The annual "get-together" and barbecue of the Fresno Association of Insurance Agents was held at Green's Ranch, Millerton.

R. B. Heilman, Alamosa, Colo., has taken over the agency formerly conducted by A. G. Morris, who died recently.

The Finance & Bond Agency, Casper, Wyo., has purchased the agency of P. W. Comer, who has become an examiner for the Federal Deposit Insurance Corporation.

W. C. Webb, president of the General Appraisal Company, will send an appraisal crew to the northern part of Alaska near the Arctic circle. The survey will include canneries and other allied establishments.

F. M. Branch, Pacific Coast manager of the New York Underwriters, has opened downtown offices at 55 Leidesdorff street, San Francisco. Formerly the company was located in the Hartford building at 720 California street.

D. V. Ryan, San Francisco attorney, has announced his candidacy for the Republican nomination for assemblyman from the 27th district. He is the son of T. F. Ryan, assistant secretary and statistician of the Fireman's Fund group.

Eastern States Activities

Fight Solicitor License Bill

New Jersey Agents Find Many Dangerous Features in Measure Just Introduced

NEWARK, May 9.—The members of the New Jersey Association of Underwriters are up in arms over a measure introduced in the legislature which "provides for the licensing by the commissioner of banking and insurance of solicitors for authorized agents of insurance companies."

This measure, if passed, it is pointed out by the members of the association, will allow indiscriminate and multiple appointment of unqualified persons as solicitors, making the agent who appoints them liable for whatever they may do in soliciting business.

In addition, it is alleged that it will legalize rebates and permit unethical agents to appoint any one as a solicitor who controls only one line of business and will undo all of the good the New Jersey department has done in eliminating the non-policy-writing agent.

Boston Water Front Hazards

Local Board Issues Report on the Conditions Found—Oil Terminals Are Featured

BOSTON, May 9.—The Boston Board has issued a very complete report of the fire hazards along the city's water front with a special survey of oil terminals on the Chelsea and the Mystic rivers, the study having been induced by the Tiverton, R. I., oil disaster last November, which cost the insurance companies \$350,000. While the hazard of the individual oil properties, the report states, is minimized by their comparative isolation, excellent construction and effective public fire protection, the

breaking of protecting dikes about any one of the properties would allow burning oil to reach the river and might entail calamitous result.

To Give New Jersey Address

NEW YORK, May 9.—J. G. Derby of the Eastern Underwriters Association staff, who addressed the eastern Pennsylvania field men as to the methods employed by the organization in aiding local agents who had fallen into financial straits, will talk to the New Jersey field men along the same lines at Trenton, May 15. As a former field man and company executive, Mr. Derby is very familiar with the problems of local agents.

New York Measures Passed

ALBANY, N. Y., May 9.—The insurance bills passed by the adjourned New York legislature are being considered by Governor Lehman. One measure amends the charter of fire companies to include the writing of insurance against loss or damage from volcanic eruptions, vandalism or malicious mischief, and damage to automobiles and aircraft from confiscation. The New York insurance department spon-



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sored this measure. Another bill passed relative to delinquent insurance companies, empowers the court in which the order to show cause is made to issue injunction restraining the insurer from doing business or disposing of his property without notice. Heretofore it has been possible for the delinquent company to dispose of its assets between the time the injunction was issued and the hearing held.

Another measure prohibits insurance companies from making loans to officers, directors or agents. Reserves on motor vehicle policies are provided in another bill, 75 percent of the earned premium being set aside for each of the three years preceding date of examination. Loss and loss expense payments are deducted.

Protective Association Meeting

NEWARK, May 9.—The annual meeting of the Underwriters Protective Association which supervises the Newark Salvage Corps, will be held May 18.

Motor Insurance Events

Cut Milwaukee Auto Thefts

MILWAUKEE, May 9.—As the result of a concentration of effort on the part of law enforcement officers and the courts of the city, automobile thefts in Milwaukee are showing a marked decrease. Thefts decreased from 2,311 in 1930 to 884 in 1933, and for the first quarter of 1934 there were 215 as compared with 265 for the same period last year.

In 1933 there were 884 thefts, 848 recoveries and 193 arrests; in 1932, 1,306 thefts, 1,267 recoveries, and 237 arrests.

Directors' Meeting Postponed

NEW YORK, May 9.—The meeting of directors of the National Automobile Underwriters Association, which was to have been held here May 9-10, has been postponed to May 21-22. Members of the staff committee are to gather May 18-19. While the date for the annual meeting has not been definitely decided, it probably will be held at the Hotel Pennsylvania, May 23, the day preceding the annual convention of the National Board.

Flutro Heads Auto Adjusters

Frank Flutro of the Illinois loss adjusting office of the America Fore was elected president of the Automobile Adjusters Association of Chicago at the annual meeting to succeed Wilson S. Levens, independent adjuster. Gale Tilman of the Western Adjustment is the new vice-president and L. M. Gundel, an independent adjuster with offices in the Cook County Loss Adjustment Bureau, is secretary. The treasurer is F. H. Krause of Frank L. Erion Co. The association plans to have a golf outing June 15. State's Attorney Courtney has been invited to address the meeting June 7 on the automobile situation.

E. J. Cole Will Speak

E. J. Cole, Fall River, Mass., chairman of the executive committee of the National Association of Insurance Agents, will speak before the brokers' division of the National Association of Real Estate Boards in Minneapolis the last week in June on "The Development and Operation of the Insurance Business."

Veteran Coast Surveyor Dies

Capt. Andrew Martin, surveyor for the Board of Marine Underwriters in San Francisco since June, 1927, died last week. He was well known in Pacific Coast shipping circles and had spent his entire career following the sea, having become a cabin boy on the windjammer "City of Berlin" in 1891 at age 12.

Michigan Experience for 1933 Shows Improvement

LANSING, MICH., May 9.—Michigan's fire loss ratio was reduced from 54.12 percent in 1932 to 46.99 percent in 1933, the lowest since 1929, according to insurance department reports. Stock companies of other states, which write most of the Michigan fire business, brought their loss ratio down from 56.39 percent in 1932 to 52.71 percent last year. They lost about \$2,000,000 in premium volume, however, with the total 1933 premiums amounting to \$10,218,753. Michigan stock companies reduced their loss ratio from 57.32 to 55.60 percent while their volume dropped from \$172,410 to \$140,413.

Mutuals of other states both increased their premium volume about \$200,000 to approximately \$2,000,000 total and cut their loss ratio from 30.59 to 26.29 percent. Michigan mutuals decreased their loss ratio from 40.33 to 25.78 percent. The reciprocals, whose business is extremely limited, cut their loss ratio from 197.71 to 43.81 percent. Their premium volume for 1933 amounted to only \$145,028.

There were some fluctuations in rank as to amount of Michigan business done by the larger carriers but the Hartford retained first place with \$631,340 in net premiums compared with \$641,871 in 1932. Its loss ratio was reduced from 45.37 to 39.95 percent. The Great American's premium volume dropped from \$625,935 to \$526,186 and its loss ratio increased from 56.45 to 65.51 percent. Other companies which had a net volume in excess of \$300,000 had the following experience:

National of Hartford—1933, net premiums \$392,901, loss ratio 47.95, 1932—net premiums \$468,267, loss ratio 57.28; Springfield Fire & Marine—1933, \$390,858, 48.90, 1932—\$484,205, 48.61; North America, 1933—\$321,182, 64.51, 1932—\$290,995, 31.33; Home of New York, 1933—\$309,852, 57.72, 1932—\$372,633, 48.78; Travelers, 1933—\$303,621, 44.53, 1932—\$297,973, 58.77. The Firemen's of New Jersey and the Fire Association had exceptionally good records with loss ratios of 36.10 and 36.39 percent, respectively.

Inspect New Type of Barn

Some of the members of the Farm Underwriters Association, together with two representatives of the Underwriters Laboratories inspected the new barns on the farm of St. Mary's college, near South Bend, Ind., for the purpose of getting an idea as to what the rates for this type of structure should be. The barns are manufactured by the James-Way Company of Fort Atkinson, Wis., and embody a number of new principles. One of the chief features is the fact that hay can be stored in such a way as to eliminate the possibility of spontaneous combustion, but retaining its moisture.

This type of structure will be submitted to test by the Underwriters Laboratories, as a starting point from which to project rates. The manufacturer, naturally, wants to be able to advertise that the installation of these barns will bring the insurance cost down.

The insurance men who made the inspection trip were Ira D. Goss, America Fore; F. H. Cornell, Home of New York; C. E. Parks, National of Hartford; Fred C. Snapp, Aetna Fire, and E. H. Born, Western Underwriters Association.

Ross Canadian Marine Head

C. Gilbert Ross, president of Dale & Co., Montreal, has been reelected president of the Canadian Board of Marine Underwriters.

Eastern News Notes

W. U. Webb, 63, died at his home in Buffalo. He was with the Hartford Fire there for many years.

Kurtz & Co., Waterbury, Conn., has been incorporated by W. H. and G. H. Kurtz and Richardson Bronson.

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**Adoption of Easy
Payments Urged**

(CONTINUED FROM PAGE 1)

out regard to the tremendous stake of
the insurance industry.

The possibilities of trouble, it was
disclosed, were most pronounced in the
field of municipal indebtedness in view
of the passage by the Senate last week
of a bill providing for the adjustment
of the debts of political subdivisions
which may be unable to meet their ob-
ligations. Almost as important is the
proposal now being agitated in Con-
gress to grant similar privileges to
farmers.

Under the leadership of Justin Peters,
president Pennsylvania Lumbermen's
Mutual Fire, who presided over the con-
ference, the meeting discussed at con-
siderable length the problems touched
upon by the speakers. This discussion
led to consideration of matters sug-
gested by the International Association
of Casualty & Surety Underwriters as
possible bases for resolutions for con-
sideration by the chamber. In part,
these resolutions dealt with some of the
principles involved in the securities act
of 1933. As a result of the discussion,
however, it was considered advisable
not to report formal resolutions and the
matter was referred to the insurance
committee for consideration.

Extend Temporary Bank Plan

The only resolution of major interest
to the industry adopted by the cham-
ber called for the immediate passage of
legislation extending operation of the
temporary plan for bank deposit in-
surance and urging repeal of the pres-
ent law providing for a so-called per-
manent plan, as unsound and destruc-
tive in character.

As anticipated, elections by the cham-
ber resulted in the placing of Justin
Peters on the board of directors to rep-
resent insurance. Lee J. Dougherty,
president Guaranty Life of Davenport,
was elected a regional director.

INSURANCE MEN PRESENT

Among the insurance men who at-
tended the sessions of the United States
Chamber of Commerce in Washington
last week were J. C. Harding of Chi-
cago, western manager Springfield F. &
M., who is a director of the chamber of
commerce; W. P. Robertson of Chi-
cago, assistant to the president of the
North America companies; Harold V.
Smith, vice-president of the Home of
New York; Lamar Hill, general coun-
sel America Fore companies; J. K.
Shepherd, general agent of Little Rock;
George Holmes, agent and bank presi-
dent of Lincoln, Neb.

Others included F. Robertson Jones,
general manager, and C. W. Fairchild,
assistant manager Association of Cas-
ualty & Surety Executives; C. A. Lud-
lum, former vice-president of the Home
of New York and former director of the
United States Chamber; W. O. Wilson,
well known local agent of Richmond,
Va.; J. A. Beha, general manager Na-
tional Bureau of Casualty & Surety
Underwriters; Justin Peters, president
Pennsylvania Lumbermen's Mutual
Fire, and a director of the U. S. Cham-
ber; S. B. Black, president Liberty Mu-
tual; C. E. Hodges, Jr., vice-president
American Mutual of Boston; James S.
Kemper, president Lumbermen's Mu-
tual Casualty, Chicago; J. J. Fitzgerald,
vice-president Grain Dealers National
Mutual Fire of Indianapolis, one of the
speakers before the insurance section
of the U. S. Chamber; W. E. Straub,
president Farmers Mutual Fire of Lin-
coln, Neb.; Carl Jacobs, president Har-
ware Mutual Casualty of Stevens Point,
Wis., and P. W. A. Fitzsimmons, presi-
dent Michigan Mutual Liability.

Rain & Hail Bureau Canadian Manager

George A. Ewart, Regina, Sask., has
been appointed manager of the Cana-
dian division of the Rain & Hail Insur-
ance Bureau. He was formerly com-
missioner of the Regina board of trade.

**Firemen's Opening
Branch in St. Louis**

(CONTINUED FROM PAGE 1)

a conference with officials of the Ohio
department relative to the effort of the
affiliated companies to enforce separa-
tion. The agents asked that the Ohio
anti-compact law be enforced by the in-
surance department. According to an
announcement made by the department,
the matter was taken under advisement.
It was stated at the conference about
90 percent of the companies are in favor
of separation and 90 percent of the
agents are opposed to it. Should separa-
tion be enforced, it would become
effective throughout the state, as well as
in Cincinnati and Cleveland. It is hinted
that the companies will carry the case
into the courts, if the ruling of the de-
partment is against them.

The trustees of the Ohio Association
of Insurance Agents will meet in Co-
lumbus next Friday and it is possible
that the question of separation will be
considered.

Another matter to be taken up is the
counting of the ballots on the proposed
Ohio state code for insurance agents,
on which the local associations have
been voting for some time. The trustees
will decide at that time whether the
code shall be filed with the state author-
ities.

LEGAL ANGLES ARE VIEWED

NEW YORK, May 9.—That the sep-
aration issue will reach the courts in
one form or another is considered cer-
tain by many in the business. This may
come about, if a company can prove that
it has suffered definite injury as a con-
sequence of the separation program.
There has been no intimation from any
of the non-association companies that
they intend to take the matter into
court. However, some of the leaders in
the non-association ranks feel that legis-
lation may be introduced in some of the
states, under the sponsorship of local
agents.

There have been no developments on
the surface in connection with the resig-
nation of the Home of New York from
the National Board. There seems to be
not the slightest possibility of the Na-
tional Board acceding to the demands
of the Home, and expelling from mem-
bership companies that do not belong to
the jurisdictional organizations. If a
move should be made to expel such
companies from the National Board, at
least one of the companies would be
certain to institute legal proceedings.

CHICAGO COMMITTEE ENLARGED

Three additional agents have been
appointed to the so-called clearance of
agencies committee of the Chicago
Board, which will confer with a com-
mittee from the Western Underwriters
Association, and deal with the separa-
tion problem in Chicago. The new
members are Allan I. Wolff, president
National Association of Insurance
Agents; Lyman M. Drake, Critchell,
Miller, Whitney & Barbour, and Charles
Buresh, Fred S. James & Co., who is
vice-president of the Chicago Board.

The original members of the com-
mittee were O. E. Aleshire, chairman;
James I. Naghten, J. J. Brummel, Ward
Seabury, P. B. Hosmer, and President
L. E. Yager, Chicago Board, ex-officio.

Some of the agents in the excepted
cities, who are bitterly opposed to sep-
aration, have been threatening to join
hands in an appeal to Washington to
impose a comprehensive code upon in-
surance, if the companies persist in their
determination to make separation effec-
tive. Heretofore opposition to the code,
among agents, has come largely from
excepted cities, where there was fear
that a code might result in bringing
down the commission scale.

In Chicago there are reports that
some of the non-affiliated companies
have already started an attack on the
class 2 plants. Offers of 35 percent
brokerage commission have been made
to some of the class 2 agents, who now

**Schenley Late in
Reporting Values**

(CONTINUED FROM PAGE 3)

is \$2,000,000, but the loss in that portion
of the plant will exceed the insured
value.

One effect of this loss will be to
squelch the clamor on the part of
brokers controlling liquor lines to re-
duce the rates. The companies have
been under terrific pressure to cut the
rates and they have now an expensive
argument against such reduction.

One of the lines that was under nego-
tiation was the huge Walker distillery
at Peoria, Ill. The brokers controlling
this line had been demanding that the
same low rates, which had been used
for insuring the Walker properties in
Canada be applied on the Peoria prop-
erty. The brokers wanted a greater
credit for installation of the sprinkler
system than the companies were willing
to grant. The company people contend
that sprinkler systems are ineffective in
liquor warehouses. There are no floors
in such warehouses, the barrels and
cases being arranged on tiers of lattice
work, usually several stories high.
Therefore, the contention is that a fire
would attain great headway before the
sprinkler heads would open. Now the
report is that the Peoria properties have
been insured at the rate demanded by
the companies in stock companies.

Other Occupancy Dangerous

Observers say that one lesson to be
learned from the Lexington fire is that
there should be no other occupancy in
a liquor warehouse. The night watch-
man, who caused the fire, was quartered
in a small room in one of the ware-
houses. He should have been stationed
in a shack some distance away. An-
other obvious lesson is that the ware-
houses should be separated from each
other by a good distance. The ware-
houses at Lexington were only 40 or 50
feet apart.

Ponder, Hart & Co., Louisville, ad-
justers for the assured, have been se-
lected by the Schenley people to repre-
sent them.

There is some salvage in case goods
from warehouse B. The Underwriters
Salvage Company of Chicago has a fore-
man on the job.

Books and records of the company
have checked out nicely with the federal
records of stocks in bond, barrel goods
checking out 100 percent. Case goods
checked out to within one quart of
whisky on 7,057 cases.

HOW INSURANCE IS HANDLED

NEW YORK, May 9.—Of the total
whisky manufactured in the United
States it is estimated not less than 75
percent is turned out by plants owned
by the Schenley Distillers Corporation
and those of the National Distillery Cor-
poration, the remaining 25 percent being
produced by independent companies op-
erating for the most part in Pennsyl-
vania, Kentucky and to a lesser degree
in Illinois.

The two large lines are controlled in-
surancewise by eastern brokers, the John
F. Curry agency of this city placing the
Schenley schedule, and O'Brien & Rus-
sell of Boston that of the National com-
pany. For the most part insurance on
the properties of the independent com-
panies is controlled by local agents.

Written under general cover forms, in-
demnity on the large schedules ranges
in amount from \$500,000 to \$5,000,000 on
particular risks, the greater values, of
course, applying upon stock in ware-
houses in cities of the country from New
York to San Francisco.

Probably the worst whisky fire loss
sustained by the companies prior to the
burning of the Pepper warehouses at
Lexington, Ky., occurred some 16 years
ago, when the Green River properties
were destroyed.

represent exclusively Western Under-
writers Association companies.



FOOD FOR THOUGHT!

Years ago, Francis Bacon wrote: "Some books are to be tasted, others to be swallowed, and some few to be chewed and digested." We try to keep our monthly publication, *The Employers' Pioneer*, in the "chew and digest" classification. For example, in the May issue, the discussion of when a guest is not a guest; the explanation of why national claim service is another reason for getting an adequate automobile insurance rate; recent actual court decisions affecting the insurance business . . . these and others, we believe, deserve more than a casual reading, if those for whom *The Pioneer* is edited and published are to derive the greatest possible benefits. . . . The May *Pioneer* will be mailed to you without obligation on your part. Address the Publicity Department, 110 Milk Street, Boston. The Employers' Group includes The Employer's Liability Assurance Corporation, Ltd., The Employer's Fire Insurance Company and the American Employers' Insurance Company.



The National Underwriter

May 10, 1934

CASUALTY AND SURETY SECTION

Page Twenty-five

Favorable Report on Neely Measure

Judiciary Committee Endorses
Bill Directed Against
London Lloyds

STRONG STATEMENT MADE

Hope Is Revived That Legislation May
Be Passed, Although Prospect Is
Still Doubtful

WASHINGTON, May 9.—The Neely bill, providing that national banks shall buy indemnity bonds only from state qualified companies, has been favorably reported by the judiciary committee, to which it was referred. Senator Neely, sponsoring the bill and committee chairman, has submitted a report reading in part as follows:

"Every state requires American surety and bonding companies to comply with its laws as a condition precedent to such companies doing business in the state in question.

"In the year 1932, by virtue of the laws of the various states, the American companies paid into state treasuries a total premium tax of \$11,613,626. The minimum tax of \$6,630 was paid to the state of Nevada and the maximum of more than \$2,500,000 was paid to the state of New York.

Other State Figures

"In the same year and from the same source California received more than \$1,000,000; Pennsylvania, Massachusetts, and New Jersey each more than \$750,000, and Illinois and Ohio each received more than \$500,000. Connecticut, Indiana, Michigan, and Missouri each received almost \$300,000; Texas and Wisconsin each received more than \$200,000; Iowa, North Carolina, Oklahoma, Tennessee, Vermont, and Virginia each received more than \$100,000.

"Every state has provided means whereby process commencing suit may be legally served on every American surety company which does business therein.

"The American companies regularly maintain approximately 100,000 agents and 30,000 other employees.

"Thirty of the qualified companies paid their employees, in the year 1933, \$48,300,831 in salaries and wages.

"At least one great foreign insurance association, which actively and successfully competes with the American companies for the business of writing indemnifying bonds throughout the United States, has legally qualified to do business in only one state, Illinois. This association maintains practically no agents or employees in this country. It pays no premium taxes in any state excepting Illinois. And, excepting Illinois, there is no state in which process commencing suit against it can be legally served.

"This foreign company and every
(CONTINUED ON PAGE 34)

Sullivan Rejects Protests Against ABC Rating Plan

WASHINGTON OFFICIAL ACTS

Complainants Declared That the Rates
Were Too Low and War
Would Enue

OLYMPIA, WASH., May 9.—Complaints against the ABC rating schedule of the American Automobile, filed by the National Bureau of Casualty & Surety Underwriters, United Pacific Casualty and General Casualty of Seattle, asking that approval previously given the plan be rescinded, have been turned down by Commissioner Sullivan.

The American Automobile proposes to give preferred risks rates approximately 15 percent below established rates. The complainants declared the rates were too low and would result in an automobile insurance rate war in the state.

Comment by Commissioner

In commenting on the recent hearing, Commissioner Sullivan said his department "called the hearing of April 20, in the expectation and hope that its own research on the matter might be amplified and supplemented by the parties there represented. Although the department is appreciative of the large attendance, and of the presence of eminent counsel, it regrets that the testimony offered failed to develop more of tangible fact, and that in failure thereof the department was necessarily thrown back upon its own resources. It is largely upon the basis of its own research that it makes its present decision."

Reviewing the controversy over the filing, the commissioner said the filing was made by the American Automobile and accepted by the department March 10. "Prior to its approval," Commissioner Sullivan stated, "this department made a thorough investigation of the financial status of the company making the application, and a study of such experience under the proposed classification as was available. It was found that the company involved was in good financial condition, that its loss ratios for its 22 years of operation under the proposed classification in the 10 states in which it has and is being used, Michigan, Pennsylvania, Ohio, New Jersey, Minnesota, Maryland, Kentucky, Georgia, Colorado and Nebraska, has been decidedly favorable, and that the rates proposed to be effectuated in the state of Washington were adequate."

BEHA SENDS OUT NOTICE

NEW YORK, May 9.—General Manager J. A. Beha of the National Bureau of Casualty & Surety Underwriters has advised members of the decision of Commissioner Sullivan of Washington in approving the special rating program of the American Automobile, despite the opposition voiced by Mr. Beha on behalf of the organization offices, and by representatives of a number of non-conference companies. The matter will be referred to the automobile committee of the bureau for such action as may seem to it wise.

Rehabilitation Is Ordered for Consolidated Indemnity

BLAMED UNLIQUID CONDITION

Company Was Not Able to Meet Re-
quirements Laid Down to Get Loan
From R. F. C.

NEW YORK, May 9.—The Consolidated Indemnity today was turned over to the New York insurance department for rehabilitation by court order. If additional funds can be secured, it will be rehabilitated; if not, it will be liquidated by the department.

The Consolidated had been negotiating with the R. F. C. for a substantial loan, failure to receive which impelled order to show cause why it should not be placed in rehabilitation. At once upon its issuance the concern ceased writing business.

Underwriting Loss

It had an underwriting loss last year of \$704,421. Among the liabilities is an item of \$2,017,992 for borrowed money. While the institution wrote a number of casualty and surety lines the major part of its income was from automobile public liability and property damage coverage, much of this being taxicab business.

The Consolidated Indemnity was formed in 1927 by interests identified with the ill-fated Bank of the United States. When the bank failed, the Consolidated Indemnity was greatly embarrassed, because it owned stock in the bank on which there was liability, it had issued surety bonds guaranteeing deposits in the bank, and some of its own money was in the bank. However, the Consolidated Indemnity was able to worm out of that predicament.

Patron of R. F. C.

The Consolidated Indemnity has been one of the most consistent patrons of the Reconstruction Finance Corporation and borrowed about \$2,000,000. Recently announcement was made that the R. F. C. was prepared to advance additional sums for the purchase of preferred stock. However, there were some provisos, one of which was that the company should raise some money at the same time.

Last year, the Consolidated Indemnity reinsured the business of the Guardian Casualty of Buffalo and the year before that it purchased the Transportation Indemnity. John F. Gilchrist, a brother-in-law of Alfred E. Smith, is chairman of the board and A. Bertram Samuels is president. Recently F. P. Stanley, who was vice-president and agency head of the Glens Falls Indemnity, and then was connected with the Lloyds of America at New York, joined the Consolidated Indemnity in an agency capacity.

As of Dec. 31, 1933, the company reported assets \$8,970,512; premium reserve, \$1,313,377; claim reserve, \$2,573,360; surplus to policyholders, \$1,518,683; capital, \$800,000; net premiums written, \$5,024,715; losses incurred, \$3,717,540, and expenses incurred, \$1,846,825. Alfred E. Smith is a director.

Superintendent Van Schaick of New York issued a statement in which he said that proceedings were instituted by the

(CONTINUED ON PAGE 34)

Final Liability Has Been Fixed

National Bureau Establishes the
Aggregate on Two Forms
of Policy

SITUATION IS CLARIFIED

Rule Applies to Product Public Liability
and Manufacturers and Contrac-
tors Property Damage

NEW YORK, May 9.—To clarify a situation that has worried casualty company officials not a little heretofore, aggregate limits have now been set under product public liability and manufacturers and contractors property damage liability covers, which apply in addition to the regular per person and per accident limits under the former type of contract, and to the regular per accident limit under contractors policies. According to an announcement by the National Bureau of Casualty & Surety Underwriters the basic aggregate limit for product public liability indemnity, applicable to all classifications, including restaurants, is \$25,000; the regular limits of \$5,000 per person, and \$10,000 per accident to apply in addition to the aggregate limit.

Manufacturers and Contractors

The basic aggregate limit for manufacturers and contractors property damage liability is \$10,000; the regular limit of \$1,000 per accident applying in addition. Excess limits under both types of coverage may be provided for upon payment of an additional premium.

Milton Acker, manager of the compensation and liability department of the bureau, says in writing the two forms of indemnity companies have in certain cases assumed liability far in excess of that intended under regular policies, frequently "it being difficult to relate an occurrence resulting in bodily injury or damage to property, to the single cause which is responsible for the occurrence or series of occurrences." With the adoption of definite aggregate limits the ultimate liability of a carrier is now fixed.

Lumbermen's Mutual Figures

In the May 3 edition of THE NATIONAL UNDERWRITER there was a typographical error in the automobile insurance table for 1933 business, the net gain from underwriting and the ratio percentage of the Lumbermen's Mutual Casualty of Chicago and the Lumber Mutual Casualty of New York being confused. The correct figures for the Lumbermen's Mutual Casualty are premiums earned \$8,678,829, losses incurred \$3,708,885, loss ratio 42.7 percent, expenses incurred \$3,489,976, expense ratio 40.3, net gain from underwriting \$1,479,967, ratio 17.1 percent.

John Schmidt Sentenced on Embezzlement Charge

FIDELITY MAN PLEADS GUILTY

Was Regarded As One of the Leading
Lights in His Special Line
of Activity

HARTFORD, May 9.—John Schmidt, Jr., former superintendent of the fidelity department at the head office of the Hartford Accident & Indemnity, was sentenced to a term of from four to nine years in the state penitentiary by Judge Brown in the superior court here. He was charged with embezzling \$58,000 from the Hartford Accident. He pleaded guilty.

In receipt of an attractive salary and without extravagant habits of any sort, so far as was known, why Mr. Schmidt went wrong is a puzzle to the fraternity. Conceded to be one of the best underwriters in his line, his department had uniformly been profitable to his company. A close and intelligent student of the business, many of the present bond forms now in general use are largely the result of suggestions offered by and convincingly advocated by Mr. Schmidt.

Say Loss Will Be Negligible

Officials of the American Surety on Schmidt's bond, are quoted as saying that if there is any loss at all on its bond the amount will be negligible. This means that either the salvage on the loss is considerable, Schmidt and his family having turned over all their property to make restitution, or that the banks which are involved will have to stand the loss for paying forged checks. It seems that the Hartford Accident pays out of town return premiums and losses not with its own checks but cashiers' checks purchased from New York banks. These checks coming to Schmidt's desk to the order of the Chicago Livestock Exchange or the Omaha Livestock Exchange for instance, were held by him for a week or so and then deposited to his own account after he had placed a rubber stamped endorsement and a forged official signature thereon. The New York banks involved, Guaranty Trust, Hanover National, Chemical National and the Bankers Trust, are understood to be insured against forgery loss with London Lloyds and as far as the statute of limitations permits (Schmidt's work of this sort went on for ten years) these banks will undoubtedly be held liable. Stockholders of the Hartford Accident are of the old fashioned New England kind and it is understood that a house cleaning of office methods has resulted since the expose.

Although State's Attorney Alcorn and D. R. Woodhouse, Mr. Schmidt's counsel, recommended that he be given a minimum term of one year with a substantial maximum, Judge Brown refused to accept this recommendation when he learned that the defendant had been drinking to excess, that his conduct was such that it had led to strained relations with his family, and also because of the seriousness of his peculations, which had continued over 11 years.

Mr. Alcorn stated that Mr. Schmidt began to take money in February, 1923, and that the amounts increased as the years passed. The largest thefts were from accounts of the St. Joseph Livestock Exchange, the Omaha Livestock Exchange and the Chicago Livestock Exchange.

The state's attorney said that Mr. Schmidt is a victim of epilepsy, and that it was during a convulsion that he fell and injured himself, causing a double fracture of the skull and an intercranial injury. He is mentally abnormal and in need of long treatment, but despite his present condition, the state's attorney said, there is no doubt that

Widely Known Accident Company Executive Dead



ERNEST W. BROWN

Ernest W. Brown, 67, president and founder of the Interstate Business Men's Accident, died at a Des Moines hospital Sunday following an operation for appendicitis.

His first insurance connection was as an agent of the New York Life. He became a member of the Iowa State Traveling Men's Association and conceived the idea of a similar organization for business men with an insurance affiliation. In April, 1908, he started the Inter-State Business Men's and as secretary, treasurer and general manager guided its destinies for a number of years. In 1931 it was changed to a mutual legal reserve company, with Mr. Brown as president, treasurer and general manager. He had been active in his earlier years in the Health & Accident Underwriters Conference. His son, Robert A. Brown, is vice-president of the company and one of the active factors in its management.

He built the Brown hotel in Des Moines, using a portion of the building as the home office of the company. His marine museum there is said to be one of the largest collections of mounted fish, public or private, in the entire country. It grew out of his lifelong hobby—fishing. His hobby took him to many places and brought him many unusual associations and honors.

the crime he committed was deliberate and carefully carried out. It was brought out during the short trial that he had suffered a head injury when a boy of 14.

Both Mr. Schmidt and his wife have turned over all of their property, including expensive automobiles for which the former had a propensity, in an effort to make restitution to the insurance company, Mr. Schmidt's attorney said.

Harry R. Kendall Is Wed

The marriage of Mrs. Clara K. Ryan of Louisville, and Harry R. Kendall of Chicago, was solemnized this week at the Hotel Netherland Plaza, Cincinnati. The bride, who is the widow of the late Robert E. Ryan, who was an important official of the Louisville & Nashville Railroad, has for several years been active in church and club affairs in Louisville. Mr. Kendall is chairman of the board of the Washington National of Chicago, and was for 26 years the Louisville manager of the Prudential.

Mr. and Mrs. Kendall will make their home in Winnetka, Ill.

Some Companies Reported Grabbing Canceled Fleets

NOT COMPLYING WITH RULE

General Agent Reports Hewing to Line
in Illinois Temporarily Means Giving
Risks to Competitors

The fictitious fleet ruling of Insurance Director Palmer of Illinois, followed by his request for reports on compliance, is hailed by men of the business as a forward-looking move, as it will help to conserve individual risks for the producer, but in the process of building up enforcement machinery it is working many hardships. There are, it is reported, some companies and their representatives that are making capital of the restrictive measures and are picking up the fleets which are being canceled by other companies and agents who are conforming to the rule.

A general agent prominent in Chicago, who admits he has placed many fictitious fleets for a number of years, canceled off one involving \$4,500 premium last week, only to have it grabbed up by a competitor. This risk has been profitable to his company, he said. He has had similar experience on a number of other fleets he has canceled in compliance with Mr. Palmer's rule. The net result so far, he says, is that he has lost many thousands of dollars of premiums to competitors.

Profitable Fleet Is Lost

One very large fictitious fleet which had been profitable at the discounted rate was lost to a competitor in the effort to put the business on the correct basis. This general agent said he was heart and soul in favor of the move to end fictitious fleet writing.

The practice has grown to large proportions, especially in Chicago. Agents and brokers culled all the possibilities where there was any chance of insurable interest between the car owners and the group, and then began to manufacture fleets artificially. Associations were formed especially for the purpose, grouping independent druggists, grocers and what not. The tendency if followed to its ultimate conclusion would have taken a large portion of the individual automobile risks away from the producers on the street and placed them in a few hands, the companies receiving far less premium than before on experience which could not be any better than the individual.

Fraudulent Claim Making in New Jersey Prevalent

NEWARK, May 9.—So wrought up have casualty companies and public utility corporations operating in New Jersey become over fraudulent claim making, that a state-wide investigation of the problem has been determined upon. J. D. Carpenter, Jr., president of the New Jersey Bar Association, has been retained as chief counsel, while the general direction of the work will be in the hands of a committee of which O. R. Beckwith, counsel of the Aetna Life companies, is chairman, with W. P. Cavanaugh, manager of the claim department of the National Bureau of Casualty & Surety Underwriters; W. M. Kearns of the Liberty Mutual and H. V. Drown of the Public Service Corporation as associates.

Open Columbus Claims Office

The Lumbermen's Mutual Casualty has opened a branch claim office in the Buckeye State Building & Loan building, Columbus, O., with W. J. Cheyney as manager, assisted by a staff of trained adjusters. Mr. Cheyney has seen much service with the Lumbermen's Mutual, especially on the Pacific Coast.

Sees Hope for Passage of Anti-Lloyds Bill This Year

W. G. WILSON IS OPTIMISTIC

Aetna Casualty General Agent at Cleveland Addresses Ohio Association
of Casualty & Surety Managers

W. G. Wilson, general agent for the Aetna Casualty in Cleveland, made the statement, in addressing the meeting of the Ohio Association of Casualty & Surety Managers in Columbus, that there has been greatly revived interest in the bills before Congress, which would compel banks to patronize admitted companies. There is a possibility, he said, that the Neely and Fletcher bills may be consolidated with strong support for its enactment this session.

This legislation, Mr. Wilson characterized as being designed to protect the American surety companies against "the smuggling and bootlegging tactics of our erstwhile good friends at Lloyds, whose competition would be welcomed if they would comply with our laws instead of constantly seeking a bypass."

Mr. Wilson remarked that notwithstanding the havoc of depression, insurance as an institution has emerged with a commendable record.

Mr. Wilson pointed out that the local agent has never been among the unemployed, but the question of how effectively he employs his time rests with him and it is clearly incumbent upon the agent to work his way out of the depression and to create a more hopeful attitude among the many with whom he comes in contact.

The Ohio association of Casualty & Surety Managers, appointed a committee composed of E. C. Ensminger, C. H. Taylor and C. W. Neil, to arrange for a party to be held early in June.

Glass Racketeers Continue as Source of Many Losses

NEW YORK, May 9.—Companies writing plate glass continue to receive claims resulting from operations of rival racketeering gangs in and about the metropolitan area. While several persons were arrested all were discharged for insufficient evidence.

Another cause of numerous losses is perforating of windows by boys using air rifles or BB guns. To such extent has this vandalism existed that underwriters appealed to the school authorities, as well as police.

Manager J. W. Marden of the local plate glass division of the National Bureau of Casualty & Surety Underwriters recently created an "impairment service" through which member companies are notified of hazardous conditions in connection with risks, as revealed by inspectors in the course of survey work or loss investigations.

Recapitulation Showing 1933 Illinois Returns

The Illinois insurance department in its preliminary sheet showing business of last year shows that the stock and mutual casualty companies wrote \$47,539,309 in premiums in Illinois last year and had paid losses \$22,768,342 and incurred losses of \$21,971,049. The recapitulation is as follows:

	Premiums	Losses
Illinois Stock . . .	\$ 4,457,282	\$ 2,030,173
Other State Stock . . .	29,449,806	14,531,359
Foreign Stock . . .	7,386,510	3,404,535
Illinois Mutuals . . .	4,639,611	2,039,048
Other State Mut. . .	1,606,098	763,226
Assessment A. & H. (Ill.)	3,043,836	2,315,879
Assessment A. & H. (other states) . . .	496,706	313,526
Auto Reciprocal . . .	2,655,081	1,070,223
Liab. Reciprocal . . .	238,360	115,296

Mutuals Appear to Do Better in 1933

Stock Company Officials Shocked on Reviewing Automobile Insurance Figures

ACCEPTANCE IS BROADER

Service Obligation to Agents and Public Partly Responsible—Car Hazard Is Growing

NEW YORK, May 9.—Officials of stock companies writing automobile public liability were jolted in reviewing figures prepared by the New York department showing 1933 country-wide experience and also New York State figures segregated. With a few notable exceptions, stock carriers incurred underwriting loss on the line last year, while on the other hand, the mutuals listed reported substantial profit.

Upon an aggregate earned premium income of \$147,396,961 in 1933, the 51 stock companies listed sustained \$2,285,097 underwriting loss. The 18 mutuals with \$27,056,033 earned premiums had \$5,454,588 underwriting profit. The showing on collision and property damage is brighter, with underwriting profit for virtually all carriers. Even where losses were sustained by companies, the amounts were relatively small.

Follow Different Procedure

While some stock company officials are inclined to be critical of the methods employed in rate computation, claiming this is one of the sources of trouble, others hold that the primary reason is found in the different methods followed by stock companies and mutuals in production of business.

The department table, it is pointed out, lists only more important mutuals. Hundreds of smaller institutions not entered in New York are not taken into account. The general writing mutuals seek policyholders through newspaper advertising and direct mail matter sent out on carefully selected prospect lists. They refrain from seeking business in localities or sections where loss ratios are excessive, and thus get better than average business.

Must Accept Generally

Stock companies, however, with their nation-wide agency system, are compelled to accept risks from every field in order to render a service to agents and the public.

The growing hazard of motoring, due to rapid extension of super-highways, increased speed of cars and increasing road congestion, make for a greater number of accidents, and, by and large, many more serious injuries.

Claim making, moreover, has become a fine art in recent years. Demands for excessive payments for injuries, real or imaginary, are on the increase, and companies often compromise in order to avoid expensive litigation.

National Bureau Gives Help

Through operation of the claim department of the National Bureau of Casualty & Surety Underwriters, excellent work has been and is being done in rounding up organized gangs of claim fakers, but these constitute but a fractional part of the total claimants. Many otherwise thoroughly honest persons do not hesitate to load a basically proper claim for "all the traffic will bear."

The answer to the continued increase in claim loss ratio of public liability insurance, company officials are convinced, does not lie in rate increases.

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Pacific Indemnity Leads in California Premiums

The Pacific Indemnity of Los Angeles was first in the volume of casualty business written in California in 1933 with the Standard Accident, which had hitherto held the lead, dropping to second place. Net premiums written in California were in excess of \$52,000,000 for all classifications, while incurred losses were slightly more than \$25,600,000. The Pacific Indemnity wrote net premiums of \$3,444,097 in 1933, and the Standard Accident wrote \$3,156,115.

Other companies among the five leaders for premium volume were the Hartford Accident, \$2,671,943; Travelers, \$2,303,580, and Fidelity & Casualty, \$1,472,270. Others which wrote in excess of \$1,000,000 in premiums in California last year were the Associated Indemnity, Continental Casualty, Employers Liability, Fidelity & Deposit, Globe Indemnity, Maryland Casualty, Occidental Indemnity, Ocean Accident, Pacific Employers, United States Fidelity & Guaranty and Zurich.

Workmen's compensation premiums were off more than \$1,500,000 and automobile liability about \$2,000,000 less.

Fidelity and surety premiums last year were \$5,763,475, a gain over 1932 of \$566,481. Burglary and theft premiums declined in volume \$32,348, automobile property damage gained \$18,550, automobile collision dropped off \$355,078, and other property damage and collision declined \$160,543.

REPORT ON CALIFORNIA TOTALS

SAN FRANCISCO, May 9.—Casualty stock premiums decreased in California in 1933, domestic companies having a 1933 total of \$39,678,362 against \$41,329,934 for 1932 with net losses paid of \$18,977,755 in 1933 and \$22,892,235 in 1932. Premiums written by foreign stock casualty companies were \$5,508,437 in 1933 and \$5,738,661 in 1932. Losses paid by these companies in 1933 were \$2,696,506 and \$3,131,979 in 1932. Reciprocal or interinsurance exchanges also showed a decline in casualty pre-

All Must Cooperate for Recovery, Says Sullivan

WASHINGTON, May 9.—Recovery of the casualty business may be brought about in orderly fashion by cooperation of all interested parties, declared R. J. Sullivan, vice-president of the Travelers, in a talk at the United States Chamber of Commerce meeting here. Mr. Sullivan outlined a number of parties that should be interested in balancing the income and outgo of casualty companies, and thus stop the financial underwriting losses which have been incurred, especially on the compensation and automobile lines. In compensation insurance, for example, the workman is an important party and should share the responsibility of checking the prostitution of compensation laws which are for his benefit but which are continually being jeopardized by malingering or other methods which are being used to secure benefits not contemplated by the law.

Mr. Sullivan criticized the state insurance departments for not providing adequate rates for maintaining company solvency. Mr. Sullivan criticized rating entirely on experience as in a period when industrial conditions are abnormal and subject to kaleidoscopic changes, the experience of the past is not reflective of the conditions being encountered or anticipated in the future.

One reason why the supervisory official does not approve adequate rates is because of the objections of the purchaser. While industry was operating

at a loss, the purchasers of insurance were particularly sensitive to rate increases. Supervisory officials were placed in a difficult position and thought to protect themselves by predicated their rate approval on established facts, said Mr. Sullivan.

"Now since the established facts (from past experience) are not necessarily indicative of present and future trends, it follows that if the specification of the law, namely rates shall be adequate, is to be met there must be regard for these trends and a disposition on the part of the supervisory officials to accord the rate making judgment of the companies a reasonable degree of consideration."

Casualty companies are not seeking to recoup their losses of the past, but merely to secure approval of a rate level which will save them from loss in the future. Mr. Sullivan also called attention to the fact that the rates proposed by the companies and effected in jurisdictions where there is no rate supervisory control, have fallen short of producing adequately. The rate making judgments of the companies should be given sympathetic consideration.

Sympathy and Sentiment Predominate

Upon industrial commissions there is a grave responsibility, said Mr. Sullivan. The law is presumed to be their guide, he said, but there is a disposition to allow sympathy and sentiment to predominate against the companies and justice. As originally conceived, workmen's compensation laws were intended to put a stop to litigation which was so rife in the days of employers' liability. Records show that a great deal of litigation has been involved in administration of workmen's compensation laws. It is significant that much of this litigation results in a reversal of the decisions of industrial commissions, which indicates that elements other than justice have entered into the determination. Very little of this litigation is chargeable to the disposition on the part of the companies to avoid their legal responsibilities. Mr. Sullivan asked the industrial commissions to render cooperation by according complete justice for the employer and the insurance carrier as well as the claimant.

Ask Just Medical Charges

Doctors and hospitals have an important place in the cooperative plan, particularly in workmen's compensation insurance, said Mr. Sullivan. It is the policy of well managed casualty companies to secure the best surgical and hospital treatment, because experience has demonstrated that such service is the least expensive. However, it is not the intent of the proponents of workmen's compensation laws that hospitals and doctors should capitalize on the situation and regard a compensation case as one in which they might charge all the traffic will bear. A well managed company is willing to pay its just due for all medical and hospital services, but asks doctors and hospitals to make fair charges.

In regard to ambulance chasing, which has been detrimental to the interests of policyholders and claimants of the companies, Mr. Sullivan said he hopes attorneys of the responsible, respectable class will lose no time in uncovering their fellows who are engaged in trying to bring disrepute upon the profession.

Agent Should Aid Safety

The insurance agent is an important party in the cooperative work of trying to improve the status of casualty companies, said Mr. Sullivan. The agent should interest himself in all community movements to promote safe automobile driving.

(CONTINUED ON PAGE 30)

Casualty Executives Elected



C. B. MORCOM,
Aetna Casualty & Surety
President

C. B. Morcom, vice-president Aetna Casualty & Surety, who is reelected president of the Association of Casualty & Surety Executives, has spent his entire business career with the Aetna Life organization, having entered the service of this group following his graduation from the Hartford public schools in 1902. He has been the representative of the company on a number of occasions in organization work. He has been in his present position since February, 1923.



J. ARTHUR NELSON,
New Amsterdam Casualty
Vice-President

J. Arthur Nelson, president of the New Amsterdam Casualty Company, who is vice-president, is another well known figure in the casualty world. He was born in Maryland, spent ten years of his insurance career in the fire insurance business and then was connected with the American Bonding and Fidelity & Deposit before taking charge of the New Amsterdam Casualty. He is president of the International Association of Casualty & Surety Underwriters.

They *must* be SOLD

and you *must* compete with all
other business men for your
prospect's dollar

YOUR selling arguments *must* be so convincing that your prospects will buy automobile insurance instead of other things.

Your policies *must* be so attractive that they will buy from you.

Obtain the advantage of our EXCEPTIONAL—SERVICE policies—policies that are dependable, thoroughly proven, that protect nationwide, and are written at Independent Rates that will save your prospect money without in the least sacrificing protection.

Get full details directly from our Home Office.
Let us help you in increasing your premium income from automobile insurance.

[Writing business in only the States of Illinois and Indiana — exceptional claim service anywhere in the United States or Canada.**]**



C. H. Barr
President

J. V. Kennedy
Vice President

W. D. Kennedy
Treasurer

C. L. Morris
Secretary

A Stock Company Specializing in Automobile Insurance

Join Hands in the Effort to Curb Accident Abuses

FULL COOPERATION PLEDGED

Minnesota Bar Association and Claim Men's Body Seek to Check Ambulance Chasing

MINNEAPOLIS, May 9.—S. B. Houck, chairman of the ethics committee of the Minnesota Bar Association, and O. G. Hougland, secretary of the Minnesota board of bar examiners, met with the Minneapolis Claim Men's Association to discuss the problem of solicited cases and alleged unethical practices of attorneys engaged in "ambulance chasing." Mr. Houck had previously addressed the claim association at which time he set forth a number of complaints which had been lodged with him by so-called personal injury attorneys, criticizing various practices of insurance companies and their adjusters.

These charges were made the subject of investigation by a committee appointed by Paul Clement of the Minneapolis Commercial Men's, who is president of the Minneapolis Claim Men's Association. It was headed by R. F. Merriam, insurance attorney; J. F. Dulebohn, street railway attorney; S. L. McGowan, Ocean Accident; L. N. Foster, Travelers; A. M. Lystad, Fidelity & Casualty; Harvey Brothers of Underwriters at Lloyds. The committee, after a thorough investigation, found that most of the charges were unfounded and many unwarranted. It was agreed that to combat unethical practices, the combined efforts of the bar association and the insurance companies would be required. The Minneapolis Claim Men's Association pledged itself to hearty cooperation with the state bar association in endeavoring to minimize ambulance chasing.

Nebraska Judge Declares Insurers Have Some Rights

SCOTTSBLUFF, NEB., May 9.—In setting aside a jury verdict for plaintiff in an automobile damage action, Judge Carter sharply criticized the rule in force in Nebraska that in such cases it is proper to inform the jurors that insurance is carried. He said that as long as this rule is in effect there will be an increasing tendency on the part of juries to ask for proof of only two facts, one that there has been someone hurt or killed, and the other that the defendant carried insurance. Juries, he said, continue to regard liability insurance in the same light as an ordinary insurance policy which insures against accidental death or injury. He added: "In the light of these facts it becomes imperative upon the court to furnish some protection to insurance companies if any protection is to be had at all. The court is without power to curb the abuses of the insurer's rights in most cases, but where, as in the case at bar, the jury disregards the weight of the evidence and the physical facts in order to wrongfully reimburse the litigant at the expense of an insurance company, it is within the power of the court, and becomes his duty to do so."

An appeal to the supreme court will be taken.

Casualty Actuarial Meeting

NEW YORK, May 9.—At the gathering of the Casualty Actuarial Society to be held at the Waldorf-Astoria Hotel here May 18, the address of President Paul Dorweiler will treat of "Some Aspects of Statistics in Casualty Insurance," while the title of the paper to be submitted by T. O. Carlson, assistant actuary of the National Bureau of Casualty & Surety Underwriters, will be "Suggestions for a Notation for Casualty Actuarial Work."

Change in Method Employed in Rating Safe Depository

WILL SECURE MORE BUSINESS

Surety Companies Believe the New Plan Will Give Them Greater Number of Holders

NEW YORK, May 9.—Through a change in the method of rating coverages under the safe depository liability policy, stock companies feel confident they will be able to secure a far larger percentage of business of this character than has been the case hitherto. The contract, which was first issued in June 1933, assumes the legal liability of a bank for whatever loss up to the amount of the policy it may be responsible for, as a result of the theft of "money, securities, jewelry, and all other property in the safe deposit boxes in the vault or vaults in the assured's designated premises." In addition the expense of adjusting claims; litigation costs and payment of interest accruing after entry of judgment, is provided for. Heretofore the coverage was sold at a specified rate for each \$100,000 of indemnity, with a minimum charge for each location covered, a practice that did not commend itself to banking institutions generally and which impelled the present changed method of rating.

New Rates Are Given

The new rates for graduated amounts of indemnity are as here quoted:

Amount	Rate per box	Minimum premium
\$ 100,000	.10	\$ 350.00
200,000	.11	400.00
300,000	.12	450.00
400,000	.13	500.00
500,000	.14	550.00
600,000	.15	600.00
700,000	.16	700.00
800,000	.17	800.00
900,000	.18	900.00
1,000,000	.19	1,000.00

For each additional \$100,000 over \$1,000,000, a charge of one cent a box is imposed. The premium rate for three years to be three annual premiums, less 10 percent if paid in annual installments of 50, 30 and 20 percent, respectively, and less a further 5 percent if fully prepaid.

Quincy Office Is Moved

The Bert E. Strubinger claim department has moved his branch at Quincy, Ill., to 712 W. C. U. building in charge of Division Manager H. C. Scott. The Strubinger service has its main office in the Chemical building at St. Louis. In addition to the battery of private offices, it has a complete law library. There are four division offices, one at 1006 Commerce building, Kansas City, Mo.; 207 Holland building, Springfield, Mo.; 217 H. & H. building, Cape Girardeau, Mo., and the new Quincy office. This enables Mr. Strubinger to service the entire state of Missouri, Illinois outside of Chicago territory, parts of Arkansas, Kentucky, Iowa, Kansas and Oklahoma. All the division managers have had long experience in the claim field and have gone through a thorough training at the head office prior to their appointment as branch managers. All the claims are carefully supervised by Mr. Strubinger from the head office.

Sues Under Dram Shop Act

Suit has been brought against the Edgewater Beach hotel, Chicago, by Mrs. Gertrude Green of Evanston under the recently enacted Illinois dram shop act. A similar action is pending against the Brevoort hotel. The companies will be much interested in the outcome of these actions, if they go to trial, as it will give an indication of the attitude of the courts and how the law may be invoked in practice. Mrs. Green alleged that she was bumped when a party of drunks at an adjoining table started a fight.



A BUSINESS-PRODUCING COMBINATION

WHEN a surety, burglary or plate glass problem arises with which you personally are not prepared to cope, have you close at hand a dependable source of assistance and advice? You have, if you're an F&D agent.

Virtually within arms' reach of every F&D agent is a corps of expert underwriters and sales counsellors which is equipped to handle intelligently and efficiently practically any surety, burglary or plate glass proposition. Also nearby is a claim adjuster who fully appreciates the importance of prompt action when losses occur.

The swift, judicious service rendered by the F&D's 37 field offices enables the Company's agents to approach every type of prospect with confidence and is unquestionably a potent factor in building client goodwill.



Points to Remember about the F&D

Specializes in Fidelity and Surety Bonds; Theft and Glass Insurance

...

Countrywide prestige built up over a period of 44 years

...

Unchallenged reputation for prompt and equitable settlement of claims

...

Personal attention and authoritative counsel promptly available to all agents through a nationwide system of underwriting offices

...

Financial strength and leadership that command complete confidence



**FIDELITY & DEPOSIT
COMPANY** of Maryland, **BALTIMORE**

All Must Cooperate for Recovery Sullivan Says

(CONTINUED FROM PAGE 27)

ing and promote safety in plants and work places. The agent should seek a respectable clientele and be unwilling for the sake of commissions to secure insurance for risks which are undesirable either from a moral or a physical standpoint. The agent should lend his aid to the company in the event that unreasonable demands are made upon the company by claimants. He should keep himself in step with the developments of the business and in particular should he place himself in a position to understand the reason for rate changes so that he may satisfy the demands of his clients for information on this point.

Simpler Rating Urged

Mr. Sullivan urged that the insurance companies themselves adopt simpler plans for rating so that they can be reduced to understandable terms. The involved rating procedure in many cases is so complicated it is difficult for the layman to understand and this creates suspicion against rates and rating plans. The company should shape their rating plans so that they appeal not only to the common sense of the purchasers but also to their sense of justice in the distribution of insurance cost between classes and individual risks. The companies must at all times remember that the interest of the purchaser of insurance is paramount. His insurance needs must be met. Too often the situation today is that the company tells the purchaser what insurance he may have rather than accord him what he needs and wants. This company attitude must be changed, said Mr. Sullivan. The disposition to govern the business by rating organization or insurance department dictum can be corrected if the approach is right and the cooperation sincere.

Part of the suspicion which is directed at insurance rates is predicated on the belief that expenses are too high. It is the duty of a well managed company to keep its expenses within the bounds of necessity and legitimacy. It is the duty of the company to make it apparent to purchasers how much of the money expended is for service in their behalf or in behalf of their em-

ployes, which service when effectively and cooperatively rendered, minimizes injury to human beings and provides for prompt and just treatment of those who may be unavoidably injured, which in the end results in a saving in loss and consequently in insurance cost.

A great obligation rests upon the employer to minimize injury, to recognize that accidents are not inevitable, that they have causes susceptible of control.

Big 24-hour Production

A. J. Gallagher, prominent Chicago broker, wrote 24 of the Hartford Accident's 20th anniversary commercial accident policies in the 24-hour period ended 3 p. m., May 8. The insurance involved 35 units of \$100 monthly indemnity. The premiums on this form vary from \$10 to \$22.

Chicago Lloyds Is Writing Dram Shop Liability Cover

Chicago Lloyds has started writing dram shop liability coverage under the new Illinois liquor law. The basic policy is \$5,000/10,000 public liability limits, \$2,500 property damage and \$2,500 means of support, with higher limits available to a maximum of \$50,000 at additional premium.

The coverage is available both to dealers and owners, being specifically written for each under separate policy forms. A \$5 service and inspection fee is charged. Rates are:

	Prem.
Taverns (no entertainment):	
Receipts under \$50 daily.....	\$ 80
Receipts \$50 to \$75.....	90
Receipts \$75 to \$100.....	100
Receipts over \$100.....	110
Restaurants, hotels and/or private clubs (no lodging), no entertainment:	
Receipts under \$100 daily.....	70
Receipts over \$100 daily, Min. Prem. (Rate 20c per \$100.).....	85
Restaurants, hotels, and/or private clubs (no lodging and with entertainment), Min. Prem. (Rate 20c per \$100.).....	200
Receipts over \$100 daily, (Rate 40c per \$100.).....	
Package Stores:	
Daily receipts under \$50.....	50
\$50 to \$100.....	60
Over \$100 minimum.....	75
(Rate 20c per \$100.).....	
Private Clubs (with lodging):	
Based on gross sales, Minimum Prem. (Rate 30c per \$100.).....	200
Golf Clubs (private):	
Based on membership—\$1 per member, Minimum Premium.....	250

New Amendments Pending

Two house bills are pending before the Illinois legislature to amend recently enacted legislation, so as to make possible the writing of public official bonds in Illinois. The new bills merely relieve the surety of depository liability on the bonds of county treasurers, town, district and county collectors, and they exclude the proviso that, in order to be so relieved, the depository be approved.

Elmer C. Anderson, president of the Surety Association of Chicago, will discuss the public official bond situation in the state in his talk before the mid-year meeting of the Illinois Association of Insurance Agents at Bloomington, Thursday of this week.

Hovey Joins Boston Agency

Roger H. Hovey has resigned as Boston manager of the Globe Indemnity to become head of the surety department of the Boit, Dalton, Church & Hamilton agency of Boston.

Mr. Hovey went to Boston in 1918 as assistant manager of the branch of the Fidelity & Deposit, having previously been manager at Louisville for that company. Mr. Hovey is the second prominent company man to join the Boit, Dalton agency recently. The other was C. C. Hewitt, vice-president of the National of Hartford.

Schilling to Be President

W. O. Schilling, U. S. F. & G., is slated for election Thursday as president of the Illinois Insurance Federation, succeeding F. M. Chandler.

FIDELITY AND SURETY NEWS

Utah Bonding Law Is Upheld

Supreme Court Rules State Treasurer Must Have Surety Before He Takes Office

SALT LAKE CITY, May 9.—The Utah supreme court has upheld the law which requires the state treasurer to furnish a bond before taking up his duties. The decision ends a dispute which began nearly 18 months ago when C. A. Stain was elected treasurer but was denied the right to assume his duties because he could not obtain the required \$500,000 surety bond.

It was contended for Mr. Stain that a man elected to the office had a right to assume his duties without first getting surety bonds, and this view was upheld by one of the justices in a minority opinion of great length. In the early stages of the controversy, the surety companies, as a class, were condemned in statements in the press made by different parties sympathetic to the elected official. It was contended that the surety concerns were using too much influence in state affairs when they could prevent an official from taking office after the people had elected him.

Upturn in Values Relieves Companies With Collateral

NEW YORK, May 9.—One result of the improved financial situation is to relieve surety underwriters as to the sufficiency of collateral held by them under bonds of different types. Funds so held by the companies aggregate huge figures. During the period of depression the companies faced the disturbing situation of seeing the securities shrink anywhere from 25 to 75 percent of their initially accepted values. Within recent months there is a better tone, market quotations for stocks and bonds in the main having appreciated very substantially.

Big Alcohol Bond Suits

BALTIMORE, May 9.—Two suits filed in federal court here by the United States government seek to recover \$1,500,000 on bonds in support of permits to the American Solvent & Chemical Company to operate industrial alcohol plants. That company was placed in bankruptcy last fall.

In the largest of the two claims, the government seeks to recover \$1,250,000 from the Royal Indemnity. The second suit seeks \$250,000 from the United States Guarantee. These proceedings form a part of the government's effort to recover taxes on alcohol diverted during prohibition by industrial plants to bootleg channels.

Contract Bonds Are Fewer

Contract bond offerings, which were pronouncedly active the first quarter of the year, fell off considerably in subsequent weeks due to a slowing down in new construction projects by the federal government. A number of road construction bonds are going the rounds, though not to anything like the degree of former years, states as well as counties and municipalities generally being forced to limit expenditures to the utmost degree.

Secures a Large Bond

The Massachusetts Bonding wrote the primary \$2,500,000 bond for the Silas Mason Co. and the Walsh Construction Co., successful joint bidders for the construction of the Fort Peck Dam tunnels near Glasgow, Mont., a number of other surety companies participating in the coverage for varying percentages. The bid of the contractors to whom award was made was \$7,311,940, something under the estimate for the work prepared by the government engineers, whose figure, including 20 percent allowance for contingencies was \$7,789,281. A performance bond of 25 percent of the bid figure was required. The Towner rate authorized for the bond was \$12 per thousand of the contract price for the term.

Big Bond Is Written

NEW YORK, May 9.—Through the Armitage Agency of this city, the National Surety has issued the primary bonds, seven other companies participating, required of the Marcus Contracting Co., successful bidder for the construction of a subway from the Delaware river bridge approach at Camden, N. J. The contract award was for \$1,373,999, covering work of trackways, subway and underpasses. The two bonds issued are each for 100 percent of the contract, one guaranteeing completion and the other the payment of labor and material.

New Mexico Bonding Amendment

Sureties for New Mexico state and county officers are relieved of responsibility in the case of bank failures under a bill passed by both houses of the legislature.

Liquor Situation Discussed

NEWARK, May 9.—At the luncheon-meeting of the Surety Underwriters Association of New Jersey, D. F. Burnett, state commissioner of alcoholic beverage control, spoke on the laws governing the liquor situation in the state. Following the talk an open forum was held when Mr. Burnett answered a number of questions regarding bonding of liquor dealers.

The annual outing of the association will be held at the Monmouth County Country Club June 7.

Pennsylvania Beer Bonds

Licensees for the retail sale of beer in Pennsylvania must each file a bond of \$1,000. Expiring permits, the Towner Rating Bureau advises, may be renewed for another year, the premium to be \$15. This figure, it is pointed out, applies to beer bonds only, the rate for retailers of hard liquor being \$20 per annum.

Cost Recommendations Made

A report has been completed and forwarded to New York by the special committee of the Surety Association of Chicago, which was appointed to draft recommendations on how the surety acquisition cost rules could be applied in Illinois.

Discuss Fidelity Schedules

LOS ANGELES, May 9.—The Surety Underwriters Association of Southern California devoted its meeting here to discussion of fidelity schedules and the specific writing of public official bonds. The principal speaker was H. A. Harrison, certified public accountant.

Surety May Be Relieved

TALLAHASSEE, FLA., May 9.—Attorney-General C. D. Landis holds that surety companies may be relieved of liability on bonds by reasonable notice to principal and obligee, although such action does not affect liability of the surety prior to the cancellation. Agents have been criticising the bonding of mutuals in qualifying for license by stock companies. As a result many of these stock sureties decided to get off the risks. This ruling makes it possible. Eight have asked for cancellation in the past ten days.

Prominent Speaker at U. S. Chamber Gathering



R. J. SULLIVAN

Vice-president R. J. Sullivan of the Travelers spoke for the casualty interests at the annual meeting of the insurance division of the United States Chamber of Commerce last week. He is regarded as one of the real authorities on casualty lines.

WORKMEN'S COMPENSATION

Test of Relief Workers Status

Question Arises in Minnesota as to Whether U. S., State or City Is the Employer

ST. PAUL, May 9.—Further testimony is to be taken here this week in one of the most important compensation cases to come before the industrial commission in recent years. The point at issue is whether an FERA worker is an employee of the municipality, the state or federal government.

H. L. Jacobson, a relief worker at Moorhead, Minn., was killed by a cave in. His widow is suing the city of Moorhead and its insurer, the Anchor Casualty. The city denies that Jacobson was an employee of the city and likewise the state and federal government contend he was not in their employ.

It is argued by some that should the decision be that the city was the employer, then insurance companies who are carrying compensation coverage for these local units all over the state will be entitled to collect premiums on all FERA workers back to the time the FERA became effective.

Hold Missouri Rate Hearing

JEFFERSON CITY, May 9.—A hearing on workmen's compensation rates is being held by the Missouri department here today.

No FERA Funds Unless Insured

MILWAUKEE, May 9.—Governmental units in Milwaukee county are being warned by the county clerk that unless they take out liability and workmen's compensation insurance to cover possible claims arising from FERA projects, they will receive no part of the new federal relief work funds. The Milwaukee county board of supervisors has specified that each town, village and city carry insurance with not less than \$10,000/\$20,000 limits.

Change Ohio Fund Supervision

COLUMBUS, May 9.—The Ohio legislature has passed a bill to return the state workmen's compensation department to the jurisdiction of the industrial commission, as recommended by a committee named by the governor to investigate the department. In 1921 the service was placed under the supervision of a member of the governor's cabinet, which was described as one of the greatest drawbacks to its efficient operation. The governor has signed the bill.

To Continue N. J. Investigation

TRENTON, May 9.—Assemblyman Fred Fort, Jr., who is with the Newark office of the Travelers, has secured the passage by the New Jersey senate of his bill to continue the New Jersey commission investigating operation of the workmen's compensation act.

Casual Employment Covered

DES MOINES, May 9.—Casual employment of workers now comes within the purview of the Iowa compensation act, according to a ruling made by industrial Commissioner Funk.

Funk said a section of the compensation act limiting liability to injuries suffered by employees working for pecuniary gain had been repealed.

The case arose in a claim of Walter Potter against John Shuling on account of injuries necessitating the amputation of a finger while Potter was engaged in helping Shuling raise a floor of a house. Shuling denied the labor performed by Potter was for compensation,

claiming the act was of accommodation and only required the use of a few minutes time. Potter claimed two and a half hours time. Shuling said he paid Potter no money but that he did give Potter's wife \$1 for carfare.

PERSONALS

While attending a boxing bout in Hollywood, Cal., E. R. Bever, 50, district agent Pacific Mutual Life, was stricken with a heart attack and died a few minutes later. He had been with the company 15 years, representing both life and accident departments, and was a substantial producer.

The Braniff Air Lines of Oklahoma figured prominently in the new allotment of mail contracts, this company securing the franchise on the Dallas-Chicago route. Thomas E. Braniff of Oklahoma City, well known insurance man, prominent in the National Asso-

ciation of Casualty & Surety Agents, is one of the chief owners of the Braniff Air Lines. A brother, Paul Braniff, is manager. Phil Braniff, another brother, is also interested. The Braniff company was awarded the contract at the rate of 22½ cents a mile and will be a bidder on the second projected line between Chicago and Dallas.

The American States of Indianapolis announces that W. E. Niven has been elected vice-president. He will continue to act as Michigan manager, retaining his present office at Lansing.

Herbert J. Buck of Chicago, superintendent of agents of the bonding department of the Continental Casualty, is the father of a son, the second in his family.

Mrs. Delilah Howitt, wife of Harvey Howitt, treasurer of the General Casualty of Madison, Wis., died suddenly at her home of a cerebral hemorrhage after a brief illness.

Thomas Wilkinson, 32, chief adjuster of the Aetna Casualty in Denver, was killed by carbon monoxide gas poisoning while listening to the radio in his automobile. Apparently he had kept the motor running in his garage so the

radio would not run down his battery. Authorities pronounced his death accidental.

Following a visit to San Francisco, President A. Duncan Reid of the Globe Indemnity spent a few days in Los Angeles last week, concluding his first trip to the Pacific Coast since 1930. He returned from Los Angeles direct to the home office.

G. E. Perkins of the head office engineering staff of the Royal Indemnity died at his home in Brooklyn. He was 56. Mr. Perkins had been with the Royal Indemnity since 1919, for some time past in charge of its boiler and elevator inspection department.

George E. Turner, president of the First Reinsurance of Hartford, visited Chicago this week and on his way back east, visited his father in Roachdale, Ind.

In recognition of 20 years of service with the Aetna Life, J. J. Morrison, president of Morrison, Wallace & Co., general agents at Memphis, Tenn., was presented a bronze plaque by his associates at a dinner. R. W. Wallace, vice-president of the agency, made the presentation.

FOR PLATE GLASS THAT —

Just Broke

DIAL

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and you will receive that prompt, efficient, courteous replacement service by experienced men which has built the American Glass to its position of leadership in the Chicago plate glass replacement field.

We know the kind of plate glass replacement service the insurance fraternity needs. Our entire organization is "keyed" to give this "better service" which enables you to keep your plate glass business sold.

Remember American Glass for plate glass.

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1030 North Branch St. CHICAGO

Your Problem—

To attract new business to your agency and hold your renewals.

Your Solution—

An Agency contract with "Utilities" enabling you to sell unusually broad coverage insurance at reduced rates and convenient terms.

UTILITIES INSURANCE COMPANY

A STOCK OPERATED BY COMPANY

LYNTON T. BLOCK & CO.

Home Office

BROADWAY & LOCUST ST.

ST. LOUIS, MO.

Direct contracts available for conservative and successful agents in Illinois, Indiana, Iowa, Missouri, Nebraska, Oklahoma, South Carolina, Tennessee and Texas.

"The square deal companies"

Pennsylvania Casualty Company and Associated Fire Insurance Co.

SQUARE dealings with agents, brokers and policyholders have built for these companies an enviable reputation. Small enough to take a personal interest in agents, yet large and strong enough to give thorough protection, these companies offer sincere agents a real opportunity. If interested write directly to the Home Office, asking about our special feature policies.

AUTOMOBILE INSURANCE with attractive selling features which make it easy to keep sold including preferred rates to careful and cautious drivers.

ACCIDENT & HEALTH INSURANCE which covers every kind of accident or sickness and is free from annoying restrictions and technicalities.

HOME OFFICE, LANCASTER, PA.

J. W. Smiley
President

E. W. Cook
Genl. Mgr.

ACCIDENT AND HEALTH FIELD

Cleveland Program Announced

Notable List of Accident and Health Leaders to Speak at Managers Convention There June 7-9

The tentative program has been completed for the convention of general agents and managers of the middle west in Cleveland June 7-9, sponsored by the National Association of Accident & Health Managers. An unusual galaxy of speakers, including leaders in the accident and health field from both company and agency ranks, is listed.

Following the formal opening of the convention by Mayor Harry L. Davis of Cleveland, himself an insurance man, C. G. Schillerstrom, Louisville manager Washington National and president of the National association, will speak briefly on "Scope and Accomplishment of the Association," and W. D. Mead, general agent Pacific Mutual, Seattle, vice-president National association, on "Program and Aims of National Association."

Other addresses tentatively scheduled include: "Profitable Underwriting," Paul H. Rogers, Aetna Life; "Is Your Agency Profitable to Yourself, to Your Company and to Your Agents?" W. E. Lord, general agent Continental Casualty, Cincinnati; "What the Public Should Know About Accident and Health Insurance," Harold R. Gordon, executive secretary Health & Accident Underwriters Conference; "Agency Management," H. H. Armstrong, vice-president Travelers; "Knowledge Plus Enthusiasm," J. M. Gantz, general agent Pacific Mutual Life, Cincinnati; Frank E. O'Brien, secretary Fidelity & Casualty, subject to be announced.

One session will be devoted to a round table discussion of various live business building subjects.

An unusually large attendance is expected. Members of the Cleveland Accident & Health Insurance Club are extending special invitations to the general agents or branch managers of their companies in the various central west cities and have met with a very favorable response. Representatives will, of course, be present from all the local clubs which are members of the national association and from several cities in which it is planned to organize such clubs in the near future.

Retires from New York

The Massachusetts Accident has retired from New York state. President C. W. McNeill states that the company's experience in New York has not been satisfactory.

California Business Reported

Assessment life, health and accident organizations operating in California showed a decrease from income of \$2,275,149 in 1932 to \$1,938,287 in 1933. Losses decreased from \$1,101,525 in 1932 to \$858,944 in 1933.

Series of Three New Forms

United Accident Writing Broad Accident and Health Contracts With Reimbursement Clauses

The United Casualty of Westfield, Mass., is issuing three new policies, the "dependable disability," "practical disability," and "practical special disability" contracts. The "dependable" pays specific indemnity for accidental death, dismemberment, etc., with monthly indemnity in addition for disability from date of injury to date of loss; full monthly indemnity for total disability one day to 16 months, half indemnity for four months for partial disability and full indemnity for first week of disability. For sickness it pays monthly indemnity one day to 16 months for house confinement, with full indemnity for first week's disability, in any event. Half indemnity is paid to four months for hospital treatment.

Coverage Which Is Given

The "practical policy" pays specific indemnity for accidental death or dismemberment, monthly indemnity for accident total disability one day to 12 months, with half for two months for partial, and one week elimination. On the sickness side, full indemnity for house confining sickness, one day to 12 months, half rate for two months for non-confining, one week elimination.

The "practical special" policy besides specific payments for death and dismemberment, pays indemnity for total disability one day to 14 months, half for three months for partial and half for first week of disability, and on the sickness end full monthly indemnity for house confining sickness, one day to 14 months, half rate for three months for non-confining sickness and half rate for first week of disability.

The United Casualty has had 59 per cent increase in writings the first four months this year over the same period last year.

Territory Is Extended

Peter & Thompson of Los Angeles, southern California managers for the accident and health department of the National Casualty, have been given additional territory in Nevada, Arizona and New Mexico. The agency has led all the company's offices every month this year in new business production.

Probe Los Angeles "Racket"

LOS ANGELES, May 9.—Operations of insurance racketeers, who have been selling worthless accident and health policies, are being probed by District Attorney Fitts, who announced that the names of more than 100 victims have been obtained.

The salesmen promised the purchaser free medical and hospital service in the event of accident or sickness and indemnity of \$25 per week for a limited

AGENTS!

- We have some desirable territory open in Indiana and Ohio for agents desiring to write truck, bus and taxicab insurance.

B. K. ELGIN, 710 Illinois Bldg.,
Indianapolis, Indiana.

period. The customary premium was \$45. In every instance investigated thus far it has been found that the companies in question are unlicensed, Mr. Fitts said.

Old Equity Back in Indianapolis

The Old Equity of South Bend, Ind., has moved to Indianapolis and has offices in the Occidental building. The company writes health, accident and life. It started operations in 1930 in Indianapolis and then moved to South Bend. It operates through agents in Indiana and is contemplating entering Ohio and Kentucky in the near future.

R. W. McIntosh is president; Judge

W. E. McIntosh, vice-president; L. F. McIntosh, secretary-treasurer; W. D. Eclly, actuary; Col. C. C. Wysong, former Indiana commissioner, general counsel and Morton Stults, superintendent of agents.

Western & Southern Conference

The Western & Southern Indemnity held a sales congress in Cincinnati for agents selling accident and health insurance. H. B. Clancey, manager of the accident and health department, conducted the meeting and reported a large increase in business so far in 1934 over the past few years.

NEWS OF THE COMPANIES

Attempts to Restrain Palmer

U. S. Mutual of Chicago, Auto Club Affiliate, Seeks to Stave Off Liquidation Proceedings

Charging a conspiracy to put the company out of business the United States Mutual of Chicago brought suit against Insurance Director Palmer of Illinois to restrain him from certifying the company to the attorney-general for liquidation and to mandamus him into changing the figures in an examination report so as to show the company solvent. The report, completed Feb. 17, shows an alleged impairment of \$48,176, with admitted assets of \$55,761 and liabilities of \$103,937. The company contends that on the true figures it has a surplus of \$22,000.

The department reduced the valuation of the company's building from \$60,000 to \$19,000, subject to a \$15,000 mortgage. This took off \$41,000 from the value.

The department also refused to allow as an admitted asset premiums in course of collection and due from Club Underwriters Department, Inc., the general agents of the company, without an examination of the general agency corporation. This amounted to \$34,105. The premiums in course of collection were disallowed as of Jan. 1. It is contended that since then \$31,504 has been paid and \$1,607 canceled.

Wants Surplus of \$12,500

Besides demanding that the alleged impairment be made good the insurance department insists that the company provide a surplus of not less than \$12,500, equal to five times the largest amount insured on any one risk. The company writes the usual automobile liability policies but reinsures down to \$2,500.

The United States Mutual is an instrumentality of the Illinois Automobile Club.

As of Dec. 31, 1933, the U. S. Mutual reported assets \$122,992, premium reserve \$45,284, loss reserve \$42,425, net surplus \$22,849, premiums written \$110,123, losses paid \$81,823, expenses \$36,875.

The United States Mutual was formerly an accident and health company. When the interests which formerly operated the United States Mutual started to reorganize on a stock basis, they

formed the United of Chicago and sold the charter of the United States Mutual to the Illinois Automobile Club. C. A. Barrett is president of the U. S. Mutual and J. W. Cherry, vice-president and general manager. The company has been sponsoring radio broadcasts rather extensively.

This is the third insurance company affiliated with an automobile club in Illinois to get into difficulties this year. Earlier in the year, receiver was appointed for the Central States Motorists, which was affiliated with the Motorists Association of Illinois, and a receiver was appointed for the Northern Casualty Underwriters, which was identified with the Illinois State Automobile Club.

Medical Carrier Plans Halted

OLYMPIA, WASH., May 9.—Plans of the Washington State Medical Society to establish its own insurance carrier for physician's liability and possibly miscellaneous lines, have come to a standstill. Because of the strict requirements governing the formation of an insurance company in effect in the state several plans submitted to Insurance Commissioner Sullivan have not met with approval. The state medical society maintain, a defense fund of some \$40,000, which is used to protect the contributors to extent of attorney's fees and costs only in event suit for alleged malpractice. The loss ratio to companies writing this class of protection in Washington has been as high as 135 percent.

Disclaimers Are Entered

PITTSBURGH, May 9.—Declaration that five Pittsburghers listed as directors of the defunct Pennsylvania Surety, whose officers and directors are being sued for \$5,000,000 by the insurance department, were elected to the board, and their names used without their consent, is a recent development.

Another development was that Governor Pinchot favored an independent audit of the corporation's books, but refused to order it over the head of Attorney General Schnader, now a gubernatorial candidate. Schnader's reason for objecting to the audit was that it would take \$10,000 out of the collapsed company's funds. His stand resulted in the resignation of W. C. Grubbs of Pittsburgh as a special insurance department attorney, after he

had conducted a five months' investigation of the Pennsylvania Surety.

Oppose Assessment in Wisconsin

MADISON, WIS., May 9.—Governor Schmedeman has been requested to empower the attorney general to start action against the Indiana Liberty Mutual to restrain it permanently from collecting an assessment on former Wisconsin policyholders. The governor said permission would be granted.

On petition of Commissioner Mortensen the governor has called a hearing of all parties concerned. Mr. Mortensen contends the assessment is unlawful, unnecessary and excessive.

Transfer Agent Appointed

BALTIMORE, May 9.—The Maryland Casualty has appointed the Mercantile Trust Company as transfer agent. Heretofore the company has acted as its own transfer agent and registrar. The Baltimore Stock Exchange requested the company to conform to its listing requirements calling for a corporate transfer agent or registrar to be appointed.

A ruling has been made by the exchange that deliveries of Maryland Casualty stock can not be required until the reopening of the books. During the

closing of the books transactions may be made regular or for certificate delivery, in which case delivery must be made on the second business day in properly endorsed certificates.

Maryland Casualty Figures

The premium income of the Maryland Casualty for April was greater by 26 percent than that had for the same month of 1933. On the other hand the claim and claim expenses were less by 23 percent last month than those in April, a year ago.

Report on United Pacific Casualty

The report on an examination of the United Pacific Casualty of Seattle by the Washington, Oregon and Utah departments says that "the financial statement shows the company to be in a sound financial condition."

Company Notes

The **Employers Reinsurance** showed a gain in surplus of \$212,000 the first quarter.

The **Casualty Reciprocal Exchange** of Kansas City has been admitted to Oregon.

The **Equity Mutual** of Kansas City, Mo., which is allied with the Bruce Dodson fleet and is writing liquor bonds, shows assets \$116,122, surplus \$100,578.



Maryland Casualty Agents KNOW

because they study

MARYLAND Casualty agents are trained to serve the public—they don't just "happen to". The Company School provides individual instruction through five courses—a total of 63 lessons—that cover all forms of Casualty Insurance and Surety Bonds. 7831 Agents and their employees have enrolled.



Faithful performance: Over a period of 36 years claims have been paid in excess of \$275,000,000.



**MARYLAND CASUALTY
COMPANY • BALTIMORE**

Opportunities
for Salesmen in
48
States
**Income
Insurance
Specialists**
• NORTH AMERICAN ACCIDENT
INSURANCE COMPANY • 209 SO. LA SALLE STREET
CHICAGO

CASUALTY INSURANCE

SURETY BONDS

Chicago Premiums Are Given

(CONTINUED FROM PAGE 9)

Name of Company	1931	1932	1933	Name of Company	1931	1932	1933
La Fayette	8,930	4,961	.....	Southern, N. Y.	29,964	3,711	.....
London Assur.	162,151	144,624	168,790	Safeguard	45,799	22,629	27,892
London & Lanc.	225,639	206,934	234,110	Standard Mar.	17,169	26,859	21,992
Law, U. & Rock	110,255	89,773	109,380	Standard, Conn.	139,042	124,381	136,281
London & Scot.	55,763	52,715	34,842	Star	76,048	52,644	67,206
Lumbermens	84,522	69,374	41,201	St. Paul F. & M.	203,705	155,928	150,757
L. & L. & G.	317,531	293,739	337,321	Scot. Un. & N.	168,207	131,722	129,515
Merchants, Colo.	12,889	12,206	.....	Security, Conn.	154,153	115,836	143,914
Millers Natl.	63,923	40,230	43,912	Springfield	455,258	362,902	381,711
Monarch	60,236	21,022	9,858	Sentinel ....	.....	7,531	8,179
Manhat. F. & M.	44,537	25,449	45,184	Standard, N. Y.	173,946	141,103	192,347
Mass. F. & M.	25,938	19,853	14,818	Stuyvesant	33,864	8,597	.....
Maryland	39,124	45,771	40,735	Sun	161,217	122,309	132,012
Mechanics	24,207	14,118	2,271	Sun Underw.	24,087	39,877	68,247
Milw. Mech.	272,692	232,940	219,589	Seabrd. F. & M.	58,533	32,034	14,849
Merch. F. Assur.	279,800	229,129	201,568	Transcontnl.	66,453	44,090	8,537
Mech. & Trad.	40,542	16,630	21,712	Tokio M. & F.	20,061	16,893	70,525
Mercantile	103,350	85,252	83,418	Travelers	179,585	149,210	169,782
Minn. F. & M.	35,534	22,190	29,595	Trinity	20,080	16,898	.....
Merchants, R. I.	60,864	46,194	53,573	Twin City	5,416	3,545	2,548
Mercury	64,975	21,191	29,635	Un. A. Canton. ....	.....	750	1,074
Mich. F. & M.	18,672	14,431	44,794	Union, Paris.	80,945	46,750	21,006
Meiji Fire. ....	.....	.....	70	Union, Gen.	29,774	63,524	13,562
Merch. & Mfrs.	23,081	27,043	26,640	Union M. & Gen. ....	.....	.....	6,261
Metropolitan, Ill.	59,221	32,070	1,907	U. S. Mer. & Sh.	49,860	20,570	333
New England.	13,759	12,679	14,078	United States.	161,556	156,466	212,835
Norwich Union.	110,134	85,968	71,380	United Firem.	151,163	138,373	139,237
New Jersey.	20,152	3,996	1,331	Un. A. Soc. Ld.	22,958	22,492	19,207
Niagara	184,690	164,217	181,042	Victory	15,411	10,784	9,541
Natl. Reserve.	130,033	127,378	97,356	Virginia F. & M.	27,060	17,340	6,882
Nat. Ben Frank.	92,109	78,864	77,359	Wash. Assur.	4,720	1,865	1,098
N. Caro. Home.	14,833	12,249	8,199	World F. & M.	58,796	49,943	70,309
N. Y. Under.	145,702	105,178	94,244	Westchester	137,288	98,364	90,201
Northw. F. & M.	38,938	31,196	30,265	Western Assur.	39,900	16,997	23,180
Natl. Liberty.	228,122	190,781	204,433	Western Pac. ....	.....	.....	.....
New Brunswick.	64,171	51,499	71,108	Ira. Assn.	6,979	26,071	60,155
Natl. Security.	36,653	46,173	39,436	Western & So. ....	.....	.....	10,161
Nat. Fire, Htfd.	382,343	315,673	384,328	West. Spr. Risk	27,999	5,695	50,643
Natl. Union.	123,102	50,142	82,359	West. Fire, Kan.	37,936	24,091	18,519
New Hampshire	101,749	66,827	61,709	Yorkshire	40,063	22,855	21,104
N. Brit. & Merc.	168,424	158,540	270,677	*Incomplete.	.....	.....	.....
Northern Assur.	184,486	130,848	142,934				
Newark	56,711	45,544	58,075				
Northern, N. Y.	116,321	93,822	98,061				
Northw. Natl.	330,616	269,711	265,845				
N. Y. Fire.	45,189	20,974	32,357				
Netherlands	57,585	45,217	42,340				
North River.	81,284	68,022	72,366				
Occidental	11,962	14,425	21,607				
Ohio Farmers.	27,446	17,354	23,151				
Old Colony	43,058	29,022	26,653				
Orient	211,277	164,260	195,003				
Phila. F. & M.	137,146	114,429	124,982				
Philadel. Natl.	25,862	25,195	29,109				
Provident, N. H.	17,305	22,477	19,655				
Pacific, N. Y.	77,611	57,348	58,937				
Phoenix Assur.	190,533	159,383	163,298				
Phoenix of Htfd.	191,417	156,596	156,321				
Prov. Wash.	193,964	110,573	124,317				
Pearl Assur. ....	.....	11,972	67,809				
Pioneer Fire.	117,024	91,344	70,757				
Potomac	81,921	64,104	49,745				
Patriotic	64,937	57,370	25,188				
Palatine	3,120	1,148	2,088				
Pennsylvania	182,756	177,025	185,039				
Queen	122,847	97,531	107,362				
Quaker City. ....	.....	.....	2,717				
Retailers	8,131	4,852	1,636				
Reliable of Ohio	40,384	33,824	34,199				
Repub. of Tex. ....	.....	8,218	35,353				
Reliance	117,302	64,290	59,025				
Rhode Island.	90,567	53,827	44,844				
Royal Exchange	37,669	82,099	118,988				
Rochester Am.	48,114	21,978	10,661				
Royal	339,028	362,302	317,296				
Richmond	22,686	36,392	35,277				
Security of Ia.	79,316	76,167	74,236				
South Carolina. ....	.....	2,015	532				
Standard, N. J.	77,775	67,057	70,320				
Sussex	38,880	33,582	42,596				
Superior	33,344	27,213	25,609				

The company group totals were:

Name of Group	1932	1933
Aetna Fire	\$ 426,300	\$ 487,567
Agricultural	116,383	120,187
American of Newark	269,874	306,792
Atlas of London.	141,403	166,194
Aetna Life	294,935	359,463
Boston	100,660	100,342
Corroon & Reynolds	201,877	219,566
Caledonian	171,575	174,483
Commercial Union.	317,400	315,504
America Fore.	850,686	973,205
Dubique F. & M.	301,534	259,209
Eagle Star & Br. D.	107,581	76,323
Fire Association	273,286	268,648
Fireman's Fund	279,045	271,817
Firemen's of N. J.	722,986	657,572
General of Seattle.	20,859	31,338
Glens Falls	291,194	244,105
E. C. Jameson	157,011	.....
Great American	415,800	439,211
Hanover	133,407	151,063
Hartford	616,101	629,407
Home of N. Y.	855,540	1,053,498
North America	735,454	776,911
London Assurance.	170,073	211,973
London & Lancas.	510,454	588,377
Lumbermens, Phila.	94,569	70,310
Merchants, N. Y.	230,993	202,666
National, Hartford.	460,265	462,470
National Union.	54,583	96,781
New Hampshire	102,682	91,294
No. British & Merc.	530,555	694,967
Northern Assurance.	183,563	177,775
Norwich Union.	103,412	89,038
C. V. Meserole.	134,186	135,700
Phoenix, London.	224,564	313,099
Phoenix, Conn.	516,481	528,392
Prov. Wash.	116,911	140,577

THE EXCESS INSURANCE COMPANY OF AMERICA

JAMES GIBBS, President

Reinsurance Casualty and Surety Excess Covers

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Rhode Island.	100,021	98,416
Royal Exchange.	121,094	138,642
Royal, Liverpool.	945,248	980,597
St. Paul F. & M.	177,118	180,391
Scottish Un. & Nat.	201,614	235,323
Security, Conn.	129,648	154,151
Springfield F. & M.	397,542	448,761
Tokio M. & F.	157,996	262,942
Frelinghuysen	20,707	1,809
Sun Insurance	219,555	225,446
Crum & Forster.	472,427	477,007
Yorkshire	71,217	58,572

Favorable Report on Neely Measure

(CONTINUED ON PAGE 25)

other foreign company will be required, if the bill is enacted into law, to pay its fair proportion of premium taxes into the treasury of each state in which it supplies indemnifying bonds to national banking associations.

"The bill does not seek to create a monopoly in favor of the American companies; it does not propose to confer a single favor upon them, or to provide them a single advantage. Nor does it seek to bar any foreign company or association from participating in the writing of surety bonds for national banking associations.

"The sole purpose of the legislation is to eliminate the notoriously unfair advantage which the foreign company in question has long enjoyed and still enjoys over the American companies, and to require it to bear its equitable share of the burdens which are now borne exclusively by the American companies and from which the latter have no means of escape.

"The effect of the bill, if it becomes a law, will simply be to equalize the conditions under which the foreign carriers of insurance and American surety companies may compete for the American business of writing bonds for national banking associations."

INTEREST KEEN IN N. Y.

NEW YORK, May 9.—The chances for passage of the Neely bill are doubtful. The fact that there seems to be no companion bill in the house militates against passage of the measure. An official of the Surety Association says, however: "With such a strong committee endorsement, despite the lateness of the hour, it is possible this bill may be rushed through both houses in the closing hours of congress as has happened before with emergency measures. One must not forget, however, that the American Bankers Association lobbyists are ever on the job and will overlook no opportunity fatally to stab this bill in any way possible."

As an example of these methods, surety men saw the O'Brien bill, directed against Lloyds, killed in the closing hours of the New York legislature by a concerted mass attack by a number of bankers hurriedly summoned to Albany.

Standard Accident Expands

INDIANAPOLIS, May 9.—H. C. Meyer, Indianapolis manager of the Standard Accident, announces additions to the Indianapolis branch staff. C. A. Gustafson, will be office manager and underwriter; C. R. Voges, cashier, and Guy Kornbloom, assistant to Redmond Herley, superintendent of the claim department. The Standard Accident's business in Indiana increased 80 percent in April and has been from 20 to 80 percent better each month thus far this year.

Service Office Is Moved

The western service office of the Norwich Union Indemnity, managed by W. R. Moony, covering Illinois, Indiana, Wisconsin, Minnesota and Michigan, has moved from A-1003 Insurance Exchange to A-1159.

The Indiana Inspection Bureau, the state fire marshal's office and fire insurance companies are backing a regional fire school to be held at Terre Haute, Ind., July 10-13. Carl Steup, fire instructor from the inspection bureau, is in charge.

Mutuals Appear to Do Better in 1933

(CONTINUED FROM PAGE 27)

for the history of the business shows that every rate advance results in adverse risk selection. The most effective, and probably the only way in which automobile accident frequency and seriousness can be reduced, is to secure co-operation of motorists. The individual motorist must be made to realize that he pays the bill for careless driving.

Rehabilitation Is Ordered for Consolidated Indemnity

(CONTINUED FROM PAGE 25)

department because the Consolidated has been unable to remedy an unliquid condition which, "in the opinion of the department would make further transaction of business hazardous to the company's policyholders, creditors and the public. The company had hoped to obtain financial assistance, but it has been unable to complete tentative arrangements made for such aid."

Some 350 taxicabs in Newark, N. J., carry their insurance in the Consolidated. Closing of the Newark office of the Consolidated caused considerable commotion.

State Can't Pay Premiums

DES MOINES, May 9.—Neither the state nor its subdivisions are authorized to pay premiums for automobile liability insurance on cars driven by employees on state business, the Iowa attorney general has ruled.

The opinion said, however, that it was not to be construed as affecting the rights of employees under the compensation act, nor the right of the state or its subdivisions to require employees or drivers personally to buy such insurance.

The state should not bear the burden of payment since the state cannot be sued to recover for injuries or be held accountable in damages by reason of the acts of a servant.

Broaden Company Powers

ALBANY, N. Y., May 9.—Governor Lehman is considering the casualty insurance measures passed by the New York legislature which is now adjourned. One bill enables casualty companies writing burglary insurance to afford all risk coverage on money and securities at fixed locations in a manner similar to the coverage which marine companies offer on similar property while being transported.

Another measure passed permits the organization of membership corporations to furnish hospitalization service on payment of industrial premiums, supervised by the insurance department. The bill legalizes the practice which has been in effect for some time in New York City.

Hedwall Agency Not Involved

In a recent issue it was stated that D. W. Oliver, a solicitor for the Hedwall Agency of Minneapolis, had been indicted for irregularities in connection with a highway bond where it was charged the signatures had been forged. The Hedwall Agency states that while Mr. Oliver has brokered business in the past through this office he has never been connected with it in any way as a solicitor or agent. In the last six or eight months, the Hedwall Agency declares that he has brokered at least 90 percent and probably more of his business through other offices. Mr. Oliver, in a statement to the highway department, said that the Hedwall Agency had no knowledge of his transaction and was in no way involved.

P. J. Paxton, recently appointed general agent at San Diego, Cal., of the United States Fidelity & Guaranty, has changed the name of his agency to the Paxton Insurance Agency.

Premiums and Losses in 1933 in IOWA on All Casualty Lines

	Total		Auto. Liab.		Other Liab.		Work. Comp.		Fidelity-Surety		Plate Glass		Burglary-Theft		Prop. D. & Coll.	
	Prem. \$	Losses \$	Prem. \$	Losses \$	Prem. \$	Losses \$	Prem. \$	Losses \$	Prem. \$	Losses \$	Prem. \$	Losses \$	Prem. \$	Losses \$	Prem. \$	Losses \$
Ace Mut., Ia.	2,571	43	802												773	28
Aetna Casualty	190,718	91,244	61,802	38,389	4,765	270	2,561		54,214	30,311	5,361	2,032	27,121	7,975	34,176	12,265
Aetna Life	122,253	77,732	50		15,656	994	17,257	13,431							63,637	23,008
Allied Mut. Auto.	181,228	72,156	82,671	35,950											28,410	3,671
American Auto.	70,508	17,844	42,098	14,173											157	304
American Casualty	939	666	764	362		5									4,317	1,688
American Employers	36,705	30,823	9,648	13,061	3,488	503	10,002	6,991	5,144	6,604	883	324	674	60	7,648	513
Am. Farm. M. Au., Ia.	24,704	1,303	13,850	45											130	70
American Indem.	416	906	209	744					38						3,348	414
American Mut. Liab.	68,816	36,270	5,695	498	3,385	882	56,386	34,474							69	92
American Reins.	10,341	803	584	932	364		4,415	6	4,072	—227			383		2,786	510
American Surety	209,690	84,836	6,061	1,208	2,437	30	909	721	179,565	80,596	1,423	176	16,504	1,592	3,616	763
Assoc. Indemnity	10,758	4,157	6,949	3,389	65		—26	5	100		37				6,367	1,613
Autoist Mutual	17,548	3,050	8,653	420											1,248	298
Bankers Indem.	4,453	1,207	2,586	675	—325		817	172			20	61	104			
Bituminous Cas.	150,624	121,945			472		150,152	121,945								
Bldrs. & Mfrs. Mut.	26,948	17,986	4,012	228	1,786		17,214	16,926			1,066	52			2,796	629
Cas. Recip. Exch., Mo.	10,798	5,215	2,826	968	344	50	5,412	2,843							1,448	1,335
Centl Mut. of Chicago	29,414	977	18,074	107											10,707	841
Central St. Mutual	31,831	8,247	11,863	3,239											11,928	2,550
Central Surety	103,306	29,739	18,786	14,448	6,928	112	18,282	6,542	40,409	720	6,111	2,743	3,550	43	9,634	4,431
Century Indem.	5,807	2,020	609	1,100	875	141	881	412	2,640	126	107	87	269		340	151
Columbia Casualty	15,300	5,342			2,288	75	—54	670	4,889	2,488	482	338	2,010	1,137		
Commercial Cas.	11,179	1,873	3,091		1,310		4,155	1,501	207		194		387	150	1,668	222
Consolidated Indem.	8,807	1,631	6,646	2,000			—63		—4	—376					2,228	8
Consolid. Und., Mo.	875	375			54		820	375								
Continental Cas.	224,657	87,802	28,650	11,642	8,806	1,128	23,136	11,792	43,871	1,744	2,561	1,063	6,435	1,991	14,055	3,859
Eagle Indemn.	7,621	3,958	1,870	760	57	3	457	2,442	2,541	—13	506	75	663	6	688	621
Employers Liab.	151,228	85,897	35,646	29,906	23,750	4,433	50,690	31,398	5,455	904	2,957	1,725	4,468	1,693	15,964	6,747
Employers Mut. Cas.	579,681	283,487	175,847	67,651	25,365	2,915	229,193	161,072							109,562	37,746
Employ. Mut. Indem.	4,257	516	2,963		453						27				698	290
Employ. Mut. Liab.	1,979	1,437					1,979	1,437								
Employers Reins.	54,495	15,627	31,502	8,967	2,968	280	644	314	12,188		61		1,018		432	385
Europ. Gen. Reins.	57,130	26,136	7,273	2,833	4,320		38		7,574	1,997			20,169	2,203	350	
Excess	7,808	1,013	3,965	942	980		74		1,732				39		1,010	70
Farm. A. Int. Ins. Ex., Cal.	1,557	283	875	94											458	183
Farmers Mut. Theft.	33														32	
Farmers Mut. Hall.	99,339	36,460	60,513	28,271							105	190			38,721	7,999
Farm. Un. Mut. Au., Ia.	43,227	17,959	20,518	10,885											16,043	4,599
Fidelity & Casualty	449,842	249,478	68,952	54,148	36,292	15,758	138,961	109,898	87,162	20,114	6,576	2,696	30,778	4,009	32,779	16,037
Fidelity & Deposit.	144,424	62,955							136,025	60,735	809	467	7,588	1,751		
Fireman's Fd. Indem.	17,057	8,184	5,642	4,325	1,040	1,250	2,182	1,669	4,240		417	62	587		2,338	840
First Reinsurance	1,175	6,017	67		49				266				323		1	
Freemont Motor Cas.	61,417	25,257	31,771	16,063											21,422	6,948
General Accident	28,866	25,509	9,371	11,203	3,308	582	5,531	7,989			198	134	515		3,752	2,370
General Cas., Wash.	1,194	1,807	655		227		1,827								302	
Glens Falls Indem.	26,069	7,822	4,131	625	280		1,708	1,547	6,489	188	420	336	1,489	966	329	648
Globe Indem.	115,689	74,827	22,042	15,056	10,349	9,417	39,285	21,691	19,367	17,787	2,258	1,097	7,441	2,333	10,747	3,442
Great Amer. Indem.	37,345	18,822	7,163	10,295	5,621	1,070	7,819	3,884	8,288	232	1,542	570	2,464	124	3,220	706
Guar. of N. Amer.	787	992							787	992						
Hardware Mut. Cas.	83,687	33,653	30,184	14,080	3,141	110	28,572	13,921			1,603	591	1,420	537	18,670	4,299
Hartford Acci.	159,309	76,941	41,242	29,697	10,454	1,717	28,646	23,943	37,901	11,663	1,802	782	17,275	3,084	18,049	4,304
Hawkeye Cas.	310,990	131,142	160,179	76,949											114,425	35,246
Home Indem.	8,437	15,446	5,630	5,570	—1,931	1,199	1,147	2,220	554	—1,782	—9	—3	433	7,510	2,611	730
Home Mutual, Ia.	543,702	190,585	218,149	96,186							169	70			209,098	48,339
Illinois Casualty	18,567	6,396	10,005	3,171											6,273	2,177
Indem. N. Amer.	50,997	18,847	17,114	6,892	4,060	1,217	2,494	3,248	11,498	3,133	2,030	483	5,897	1,441	7,727	2,410
Inland Bonding	2,823								2,823							
Iowa Mut. Cas.	106,392	46,240	48,683	14,409											25,829	7,234
Iowa Mut. Liab.	354,295	165,714	67,300	34,322	11,840	455	144,685	98,006							89,089	24,884
Le Mars Mutual	57,667	33,007	3,395												2,685	
Liberty Mutual	11,053	10,539	3,052	4,695	1,630	25	5,923	5,619					51	10	396	189
London & Lancashire	10,013	2,221	3,820	529	420		332	9	3,039	532	275	201	520	196	1,552	752
London Guarantee	58,425	22,853	18,067	4,370	5,624	2,068	18,399	10,712			1,034	632	2,160	153	7,366	2,080
Lumb. Mut. Cas.	21,982	15,814	9,310	6,834			6,195	6,393	717		832	329	318	24	4,294	1,891
Mfrs. & Wholes. Ind.	2,796	1,088	1,397	1,000											1,030	74
Maryland Cas.	127,867	91,420	20,045	17,744	9,518	1,797	29,798	26,769	34,932	34,167	2,508	1,137	9,718	1,676	8,363	3,129
Mass. Bonding	116,405	31,779	11,288	701	2,083	2,229	5,263	4,759	59,981	9,523	2,511	567	5,121	271	5,062	1,461
Medical Prot.	41,358	22,138			41,358	22,138										
Mercer Cas.	18,617	3,066	9,338		27											

HOLC Hands Off Policy on Insurance Is Reiterated

(CONTINUED FROM PAGE 3)

read at the meeting his correspondence with the Washington office of the HOLC, conducted after a borrower had failed to pay Mr. Steinmetz a renewal premium, the old policy having expired sometime after the HOLC loan had been made. Mr. Steinmetz failed to collect his renewal premium from the HOLC and was forced to cancel off. A letter addressed to him by J. A. Hoyt of Washington, assistant manager of the HOLC, said in part: "If we find this is not possible (obtaining renewal policies, paid for by borrower) we place the necessary coverage through facilities already established for handling this, which reduces this phase of our work to a minimum, and charge same to the borrowers' account."

When Mr. Steinmetz read Mr. Hoyt's statement that this procedure had been approved by officers of the National Association of Insurance Agents a number of agents jumped to their feet to challenge the correctness of that claim.

Secretary W. R. Kerr of the Denver board was instructed to present the history of the Steinmetz's case to Secretary W. H. Bennett of the National association and to register a protest.

Mr. Jones told the agents they should present renewal policies together with their statements for the premiums to the HOLC in every case where the present insurance was expiring within 90 days from date of the loan application. These premiums will be paid from the proceeds of the loan if the latter are sufficient, he said.

Calvin Jordan said if any of his policyholders apply for loans, he cancels prorate all policies with approaching expirations and issues renewals immediately. In all such cases he issues a premium bill, receipted in full, for presentation to the loan board.

Companies Writing Other Classes of Casualty Business in Iowa

CONTINUED FROM PAGE 35)

ACCIDENT AND HEALTH		PREMS.		LOSSES	
Abraham Lincoln	2,834	\$	1,270		
Aetna Life	88,691	\$	63,305		
American Employ.	1,108		1,587		
Amer. Republic, Ia.	12,193		4,190		
Ben. Ry. Employ.	92,397		50,818		
Bldrs. & Mfrs.	90				
Business Men's	43,201		27,962		
Central Surety	1,602		695		
Century Indem.	91				
Columbia Cas.	2,680		538		
Columbian Natl.	4,733		2,141		
Columbus Mut., Ohio	228		200		
Commercial Cas.	162				
Continental Cas.	85,114		36,413		
Craftsman	7,032		3,319		
Eagle Indem.	615		61		
Employ. Liab.	8,769		9,007		
Employ. Mut. Benefit	3,607		1,572		
Employ Mut. Cas.	7,128		733		
Employ. Reins.	3,693		3,276		
Equitable Life, N. Y.	444				
European Gen. Re.	17,328		18,405		
Federal L. & C.	2,390		1,433		
Fidelity & Cas.	140,237		107,067		
Fireman's Fund	24,227		28,735		
First Reins.	399		36		
General Accident	467		6,017		
General Amer. Life	5,985		3,228		
Gibraltar L. & A.	876				
Glens Falls Indem.	776		108		
Globe Indem.	9,652		3,499		
Great Amer. Indem.	4,061		3,998		
Gr. Northern Life	1,223		1,938		
Great Western	19,490		10,487		
Hartford Acccl.	101,464		52,926		
Hardware Mut. Cas.	3,934		1,745		
Indem. of No. Amer.	93		112		
Interstate Bus. Men's	173		20		
Iowa St. Trav. Men's	75,798		46,643		
London Guar.	890,216		755,263		
London & Lanc.	3,391		2,789		
Loyal Prot.	29				
Lumber Mut. Cas.	24,423		15,500		
Maryland Cas.	312		340		
Mass. Bonding	8,725		4,161		
Mass. Indem.	25,093		12,265		
Mass. Prot.	374		156		
Metropolitan Cas.	8,151		7,091		
Metropolitan Life	2,647		2,793		
Midwest Life	89,007		75,307		
Monarch Life	3,248		1,239		
Mut. Ben. H. & A. Assn.	1,818		1,355		
Mutual Cas., Ill.	315,437		219,470		
Nat. Ben. Acccl. Assn.	4,132		1,250		
National Cas.	30,479		13,851		
Natl. Travel Cas.	11,141		8,715		
New Amsterdam	94,737		56,775		
No. Amer. Acccl.	1,065		2,497		
	48,556		30,810		

Occidental Life, Calif.		PREMS.		LOSSES	
Ocean Acccl.	100		1,401		
Ohio Cas.	2,126		101		
Ohio State Life	116		13		
Old Line, Wis.	413		191		
Pacific Mut.	187				
Preferred Acccl.	33,048		19,680		
Prov. L. & A.	37,927		26,411		
Prudential	56,292		22,605		
Reliance Life	4,053		3,108		
Royal Indem.	2,348		1,934		
St. Paul Merc. Indem.	1,281		810		
Sentinel Life	42				
Standard Acccl.	4,534		1,725		
State Farm Life	8,673		7,105		
Sun Indem.	196				
Travelers Mut. Cas.	2,632		4		
Travelers Mut. Cas.	248,881		162,729		
Union Mut. Cas.	7,985		2,615		
United Benefit	43,010		31,942		
U. S. Cas.	537		196		
U. S. P. & G.	1,785		663		
Wash. Natl.	12,276		10,360		
Woodmen Acccl.	12,306		6,794		
Zurich	43,591		32,794		
	29,922		15,527		

Total, 1933	\$2,891,727	\$2,048,780
Total, 1932	2,895,852	1,609,978

*Includes Non-Can. H. & A.

CREDIT		PREMS.		LOSSES	
Amer. Credit Indem.	13,951	\$	2,002		
Total, 1933	13,951	\$	2,002		
Total, 1932	16,824		4,746		

STEAM BOILER		PREMS.		LOSSES	
Aetna Cas.	76				
Amer. Employ.	1,350				
Amer. Reins.	441				
Columbia Cas.	1,471		94		
Continental Cas.	1,028				
Eagle Indem.	190				
Employers Liab.	886				
Europ. Gen. Re.	194				
Fidelity & Cas.	17,543		3,078		
General Accident	290				
Globe Indem.	173				
Hartford S. B.	39,873		4,823		
London Guar.	2,971				
Maryland Cas.	3,916		825		
Ocean Accident	16,428		75		
Royal Indem.	1,068		435		
Standard Acccl.	1,211				
Travelers Indem.	8,606		417		
Total, 1933	96,573	\$	9,757		
Total, 1932	85,683		5,990		

NON-CANCELLABLE H. & A.		PREMS.		LOSSES	
Aetna Life	596				
Business Men's	1,891		40		
Columb. Natl.	855		1,000		
Continental Assur.	3,849		1,763		
Continental Cas.	10,612		18,164		
Craftsman	10,825		6,418		
Employ. Reins.	1,984		2,403		
Equitable Life, N. Y.	9,043		5,943		
Great Northern Life	83				
Great Western	24,460		8,826		
Loyal Protective	13,719		6,606		
Mass. Indem.	718		194		
Mass. Prot.	215,747		146,553		
Metropolitan Life	303		32		
Monarch Life	52,894		40,435		
Pacific Mutual	64,025		85,184		
Paul Revere Life	11,582		5,085		
Reliance Life	247				
Sentinel Life	783		20		
State Farm Life	22				
Travelers	1,618		3,062		
Total, 1933	425,901	\$	331,708		
Total, 1932	521,997		403,789		

ENGINE AND MACHINERY		PREMS.		LOSSES	
Aetna Cas.	745				
American Employ.	85				
Columbia Cas.	2,111				
Continental Cas.	384				
Eagle Indem.	2,640				
Employ. Liab.	30				
Europ. Gen. Reins.	6,503		897		
Fidelity & Cas.	59				
Globe Indem.	59				
Hartford Steam Boiler	7,055		2,864		
London Guar.	308		45		
Ocean Accident	18,626		1,949		
Royal Indem.	1,308		84		
Standard Accident	2,089				
Travelers Indem.	2,072		28		
Total, 1933	37,190	\$	5,745		
Total, 1932	60,852		8,446		

SPRINKLER LEAKAGE		PREMS.		LOSSES	
Aetna Cas.	152				
Maryland Casualty	338				
Total, 1933	490				
Total, 1932	1,273		179		

LIVE STOCK		PREMS.		LOSSES	
Hartford Live Stock	1,280	\$	412		
Total, 1933	1,280	\$	412		
Total, 1932	1,776		2,258		

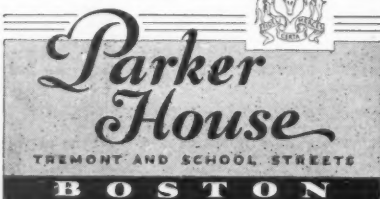


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We meet such men on common ground, for it has been our privilege for more than two generations to provide tired men of affairs with cheerful rooms and soft beds; to set as excellent a table as the country affords; and to attend with courtesy to the slightest wish of every guest. All our rooms have private bath, shower, and circulating ice-water. Plenty of singles at \$3.

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Glenwood J. Sherrard
President & Managing Director



CASUALTY ASSOCIATION NEWS

Stresses Accident Coverage

Norman Coulon of the Travelers Talks to Indianapolis Casualty & Surety Field Club

INDIANAPOLIS, May 9.—"It may be many years before there will be as good opportunities for writing accident insurance as right now," declared Norman Coulon, assistant life manager of the Travelers in Indianapolis at the monthly meeting of the Indianapolis Casualty & Surety Field Club.

To the buyer of insurance, Mr. Coulon claimed, accident insurance means more in event of the happening of the contingency insured against than does automobile insurance. To be laid up by an accident means not only loss of income in many instances but heavy additional expense as well. Agents are too prone to claim that they "haven't time to bother" with accident insurance but he said that time intelligently spent in this field will pay returns as attractive as those in any other line of insurance, and cited one Travelers agent who writes \$18,000 a year in new accident premiums.

He also referred to the writing of accident insurance as a responsibility to clients which anyone who enters the business incurs. If a person meets with a disabling accident without insurance some agent no doubt was responsible for his unprotected position.

It is planned to have a talk on acquisition cost at the June meeting. Meetings will be continued through the summer months as there is now a strong interest in the club.

H. E. Schornstein, chairman of the golf committee, announced that the first golf tournament will be held at the Speedway May 21.

Discuss Coast Cost Program

Casualty Association of Los Angeles Gives Consideration to California Setup—Zimmerman Speaker

LOS ANGELES, May 9.—A. I. Zimmerman, southern California and Arizona manager of the American Surety and chairman of the acquisition cost conference committee in this field, was the principal speaker at the semi-monthly meeting of the Casualty Association of Los Angeles, which was devoted to consideration of recent developments in the proposed casualty acquisition cost program for California. F. G. Morris, president Standard Surety & Casualty of New York, who was visiting southern California, gave a short talk.

Seattle Knockers Reorganize

SEATTLE, WASH., May 9.—The Seattle Chapter of Knockers Club, social organization of bureau casualty men, has been reorganized with Keith Hutchings, special agent Great American Indemnity, as president and B. K. Campbell, Seattle manager National Bureau of Casualty & Surety Underwriters, secretary. Dick Clarke is chairman of the membership committee and W. P. Sizemore, Travelers, entertainment committee chairman.

Coast Men Hold Golf Tourney

SAN FRANCISCO, May 9.—The annual banquet and golf tournament of the casualty and surety men of northern California was held May 5. C. A. Bonner, manager of Aetna Life companies, who was elected president of

the Casualty Insurance Association of California several weeks ago, was officially installed in office.

R. F. Norwood, Pacific Employers, won the Joy Lichtenstein trophy for low gross score; R. E. Laley, National Bureau of Casualty & Surety Underwriters, association trophy for highest gross score; John Lathan, Fidelity & Deposit, Bert Wills trophy for low net score, class B; A. M. Brown, Jr., Edward Brown & Sons, Claude Bonner trophy for low net score, class C; L. M. Caldwell, Fireman's Fund Indemnity, E. C. Porter trophy for low net score, class D.

Consider Acquisition Cost Rules

DENVER, May 9.—The new Mountain States Casualty & Surety Association met here to consider rules on underwriting practices. E. J. Miller of the Cleveland-Miller general agency suggested adopting an acquisition cost rule similar to the one accepted in California. He contended many embarrassments would be eliminated if certain cities were specified for the establishment of branch offices and general agencies rather than to have a limit of a certain number of either regardless of their location within a state. None of the rules suggested has been acted upon.

Wisconsin Hearing Scheduled

MADISON, WIS., May 9.—The interim Wisconsin legislative committee on compulsory automobile insurance will hold a public hearing on May 11. The committee which is to report to the 1935 legislature, is to study whether it is practical to adopt a plan for compensating persons injured in automobile accidents on a basis and through a method similar to that applied to industrial accidents. It is also specifically charged with the duty of studying the need for compulsory automobile liability insurance and the feasibility of making insurance a condition of the issuance of automobile licenses.

RECENT COURT DECISIONS

CASUALTY & SURETY

Issue Arises After Reletting

Obligee's Taking Possession After Default and Reletting Doesn't Terminate Rights Under Original Bond

The action of the board of education of Asbury Park, N. J., in taking possession of a partially erected school building, after default of the contractor, and of reletting the contract for completion, was not an acceptance of the building or improvement called for by the contract and did not terminate rights existing under the original bond given for the original contractor. This was the decision of the New Jersey court of errors and appeals in *Newman vs. Maryland Casualty*.

The Maryland Casualty was on the bond of the original contractor, who defaulted. When the board of education again advertised for bidders to complete the work, the Maryland Casualty formed a subsidiary corporation, which bid upon and obtained the contract for completion and gave a bond in the Maryland Casualty. The Maryland Casualty subsidiary did not complete the work to the satisfaction of the board and the Maryland Casualty, succeeding to the rights of its subsidiary, brought suit against the board to recover as for completion. That suit was settled by the payment of \$100,000 by the board to the Maryland Casualty. Thereupon Newman gave notice to the Maryland Casualty of his claim for work and materials and commenced the action. The higher court affirmed judgment for Newman.

Must Reform Bond to Pay Material Men and Laborers

The United States district court for the eastern district of Missouri has ordered reformation of a Maryland Casualty bond to conform to the requirements of Sec. 2890, R. S. Mo., 1929, on the ground that this was the type of bond that all parties understood was to be written, although a different type of bond was mistakenly issued by the Maryland Casualty. The case was *Maryland Casualty vs. Consolidated School District, No. 10, et al.* The bond actually issued did not protect the material men and labor, although the bond required by Sec. 2890 was to provide such protection. Sutterfield, the contractor, defaulted and the Maryland Casualty is therefore liable to pay for the material and labor used. A failure on the part of the school district to read the bond, under the facts, is not in law sufficient to preclude the reformation of the bond by a court of equity.

Boy Under 16 Drives Car; Policy Does Not Protect

Judgment against the Phoenix Indemnity under an automobile liability policy was reversed by the Tennessee supreme court on the grounds that insured car was being driven by a boy under 16 years of age in violation of the city ordinance of Murfreesboro, Tenn. The case was *Phoenix Indemnity vs. Barrett*. The plaintiff undertook to attack the validity of the ordinance, but the higher court held the ordinance was valid and the automobile was being operated in direct violation of a plain exclusion provision of the policy contract.

Holds Bond Was Not Canceled

Glens Falls Indemnity Can't Recover from Securities Intended to Replace Its Depository Bond

Judgment against the Glens Falls Indemnity, in a case involving the validity of cancellation of a depository bond, has been affirmed by the Ohio court of appeals, eighth district. The case was *Glens Falls Indemnity vs. State ex rel. Fulton et al.*

The Glens Falls was on a \$50,000 depository bond guaranteeing funds of Cuyahoga county in the Standard Trust Bank. Later the bank assigned and delivered to the county commissioners notes and real estate mortgages, with the request they be exchanged for the bond of the Glens Falls and that the Glens Falls be released. The Standard Trust Bank subsequently failed.

Held Cancellation Was Effectuated

The Glens Falls contended that a cancellation was effected, but that if it should be held that there was no cancellation, that at least the notes and mortgages that were assigned to the county commissioners should be turned over to it.

The higher court held there was no official action on the part of the county commissioners, the notes and mortgages never having been brought before the board while in session for official action. The Glens Falls did not give the required 10-day notice of cancellation to the county commissioners, county auditor and county treasurer.

The court held the Glens Falls was not entitled to the mortgages because the bank did not set aside, identify or in any manner earmark the mortgages for the purpose of indemnifying the Glens Falls.

Surety Liable on Ground Indemnifying Pact Cancelled

The Idaho supreme court has held that the American Surety is not entitled to recover from indemnitors under a depository bond on the ground that prior to the failure of the bank the indemnitors had given notice to the American Surety of cancellation of responsibility on their part. The case was *American Surety vs. Blake*. The American Surety denied ever having received the notice of cancellation by the indemnitors.

The jury found in favor of Blake and there is ample evidence to afford such finding, according to the supreme court. The carbon impression of the letter written on a typewriter made with the same strokes of the keys may be treated as original and hence may be received as primary evidence. The duplicate original was properly identified and properly admitted. The bank in question was the Fidelity State Bank of Orofino. The indemnitors were James W. Blake, president, and P. H. Blake, cashier of the bank.

Claim Validated 11 Years After Presumed Death

The Illinois supreme court has held against the Interstate Business Men's Accident under an accident policy for the presumed death by drowning in 1919 of the insured. The case was *Anderson vs. Interstate Business Men's Accident*. The assured took passage from Chi-

cago on a steamship for Muskegon, Mich. He was not seen to leave the boat. His wife conducted a thorough search and notified the Interstate Business Men's of Anderson's disappearance and alleged that his death was caused by accident. The Interstate Business Men's sent Mrs. Anderson a set of claim blanks and stated there was no liability. Mrs. Anderson did not execute the blanks.

No Prescribed Form

The Illinois supreme court held that neither the policy nor the statute requires a claimant to use a prescribed form in making proof of loss, nor is it required that the proof shall be verified. In the absence of any policy or legal requirement, the courts are not authorized to place such a construction upon the language of the policy as to virtually cause forfeiture. The association treated Mrs. Anderson's document as a statement of facts and replied to her that it did not appear there was any liability on the part of the company. After definitely reaching its conclusion and unequivocally notifying Mrs. Anderson to that effect, the association cannot at a trial 11 years afterward, be heard to object to the form or contents of the document upon which it acted in denying liability.

Surety Absolved in Libel Action Against Official

The National Surety was absolved of liability under a public official bond of W. W. Brunswick, United States consul at Bridgetown, Barbados, West Indies, by the District of Columbia court of appeals in United States, ex rel. Parravicino vs. Brunswick, et al. Parravicino was a citizen of the United States and resided at Bridgetown, acting as wholesale commission merchant for several concerns in the United States. Parravicino charged that Brunswick, in a report to the department of state, made false and malicious statements that Parravicino was a man of poor reputation and unworthy of credit and that a copy of the report was transmitted to the department of commerce, which disseminated the information among various business concerns. The lower court rendered the opinion that the report of Brunswick was made as a confidential communication required by the government, to be used for legitimate governmental purpose and that the consul enjoys an absolute privilege and cannot be held to answer to an action for libel based upon his report. The court of appeals upheld this decision.

FIRE & MARINE

Contract as Insurer Invalid

Municipal Lighting Plant Can't Agree That Current Will Be Safely Supplied

The South Carolina supreme court has held that a municipal lighting plant is without authority to contract as an insurer or to contract that the electric current furnished will be safely supplied. The case was *Looper vs. City of Easley et al.*

The city of Easley operated the city water and light plant. Looper operated a ginny, mills and buildings outside the corporate limits and obtained his electric current from the city plant, which agreed to provide reasonable protection against lightning. During a thunderstorm, lightning came over the wires of the city plant and set fire to Looper's buildings. Section 7300 of the code authorizes cities owning water and light plants to enter into contracts with persons outside the corporate limits, but contiguous thereto, to furnish those persons with current upon such terms as may be fixed by the contract between the parties.

The supreme court held there is nothing in the language of section 7300 that could be construed as giving a municipality any authority to contract as an insurer against damage by fire, lightning or from any other cause or to contract that the electric current furnished would be safely supplied. That the officials of the city of Easley so contracted, such contract on their part, was ultra vires. There can be no estoppel on the part of the city to set up the defense of ultra vires as to any such contract.

Oral Agreement Valid

The Texas court of civil appeals has upheld judgment for the insured under an oral agreement with a representative of an insurer. The case was *Texas Hardware Mutual Fire vs. Flewellen*.

Flewellen had been insured in the Texas Hardware Mutual, but had canceled out. Subsequently a representa-

tive of the insurer solicited the return of the business and agreed orally that Flewellen's canceled policy would be reinstated for three years from that date, under the same terms and on the same property. A written application was not signed and policy was not issued. About two weeks later the barn burned.

The insurer denied its representative had authority to make such a contract as was alleged. Since the representative was sent from the home office to see Flewellen about this particular matter, the evidence was sufficient to sustain the jury finding on the authority of the representative, the higher court held. If such authority was not expressly given, at least he acted within the apparent scope of his authority in handling the matter entrusted to him by the insurer.

Liable for Diamond Not Found After the Fire

The Iowa supreme court has held the Great American liable for loss of a diamond stud, which was not found after a fire in a dwelling insured by that company. The case was *Hall vs. Great American*. Hall placed the diamond on a mantel in his living room. While the fire was in progress, many people were in and out of the house. The fire company used large quantities of water and after the fire the living room floor and mantel were covered with water. The diamond was not found. There is no evidence that any one approached the mantel and there are no facts tending to show that the diamond was removed by any person.

The Great American contends it is equally as probable that the diamond may have been stolen as that it was lost as a proximate result of the fire. The court held that while the burden of proving the loss of the diamond was the proximate result of the fire was upon Hall, the burden was not upon him to prove that the diamond was not stolen, or that it was not lost because of his negligence.



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